

DISTRICT # 1
ESAP? Yes No

NOTICE OF INTENTION TO DRILL **MAIL TO: EMPHASIS** ALL BLANKS MUST BE FILLED
Must be approved by the K.C.C. five (5) days prior to commencing well 15-17-20469-0000

Expected Spud Date June 29, 1994
month day year

Spot 1C SW SW Sec 8 Twp 19 S. Rg 34 East West

OPERATOR: License # 04981
Name: Cholla Resources, Inc.
Address: 1641 California Street, Suite #300
City/State/Zip: Denver, Colorado 80202
Contact Person: William Goff
Phone: (303)-623-4565

1 660' feet from South North line of Section
4620 feet from East West line of Section

IS SECTION X REGULAR IRREGULAR
(NOTE: Locate well on the Section Plat on Reverse Side)

CONTRACTOR: License #: 8241
Name: Emphasis Oil Operations

County: Scott
Lease Name: I. Novak Well #: 1-8
Field Name: Houghton North

Is this a Prorated/Spaced Field? yes X no

Target Formation(s): Mississippi

Nearest lease or unit boundary: 660'
Ground Surface Elevation: Est. 2965 feet MSL

Water well within one-quarter mile: yes X no
Public water supply well within one mile: yes X no

Well Drilled For: Well Class: Type Equipment:
X Oil Enh Rec X Infield X Mud Rotary
Gas Storage Pool Ext. Air Rotary
OWWO Disposal Wildcat Cable
Seismic; # of Holes Other
Other

Depth to bottom of fresh water: 100' 145'
Depth to bottom of usable water: 800' 1065'

Surface Pipe by Alternate: 1 X 2
Length of Surface Pipe Planned to be set: (280') 200'

Length of Conductor pipe required: NA NONE
Projected Total Depth: 5000'

If OWWO: old well information as follows:
Operator: _____
Well Name: _____
Comp. Date: _____ Old Total Depth _____

Formation at Total Depth: Mississippi
Water Source for Drilling Operations: _____

Directional, Deviated or Horizontal wellbore? yes X no
If yes, true vertical depth: _____
Bottom Hole Location: _____

DWR Permit #: _____
Will Cores Be Taken?: yes X no
If yes, proposed zone: _____

AFFIDAVIT

RECEIVED
STATE COMMISSION
JUN 23 1994
Oil & Gas DIVISION
Wichita, Kansas

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, et. seq.
It is agreed that the following minimum requirements will be met:

1. Notify the appropriate district office prior to spudding of well;
2. A copy of the approved notice of intent to drill shall be posted on each drilling rig;
3. The minimum amount of surface pipe as specified below shall be set by circulating cement to the top; in all cases surface pipe shall be set through all unconsolidated materials plus a minimum of 20 feet into the underlying formation;
4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary prior to plugging;
5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
6. IF AN ALTERNATE II COMPLETION, PRODUCTION PIPE SHALL BE CEMENTED FROM BELOW ANY USABLE WATER TO SURFACE WITHIN 120 DAYS OF SPUD DATE. IN ALL CASES, NOTIFY DISTRICT OFFICE PRIOR TO ANY CEMENTING.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.
Date: 6-22-94 Signature of Operator or Agent: Kelly P. Branum Title: Agent

FOR KCC USE: API # 15- 171-20469-00-00
Conductor pipe required NONE feet
Minimum surface pipe required 200' feet per Alt. X(2)
Approved by: CB 6-23-94
This authorization expires: 12-23-94
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: _____ Agent: _____

REMEMBER TO:

- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed;
- Obtain written approval before disposing or injecting salt water.

Mail to: Conservation Division, 200 Colorado Derby Building, 202 W. First St., Wichita, Kansas 67202-1286.

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19
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IN ALL CASES LIST THE BOUNDARY
PLAT OF ACREAGE ATTRIBUTABLE TO A WELL IN A PRORATED OR SPACED FIELD

If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please show all the wells within 1 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for oil wells.

API NO. 15- _____
 OPERATOR _____
 LEASE _____
 WELL NUMBER _____
 FIELD _____

LOCATION OF WELL: COUNTY _____
 _____ feet from south/north line of section
 _____ feet from east/west line of section
 SECTION _____ TWP _____ RG _____

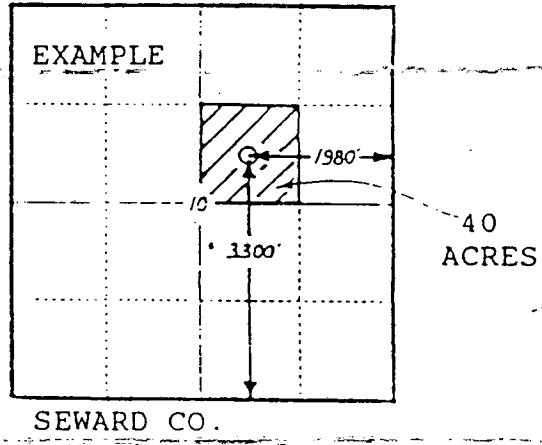
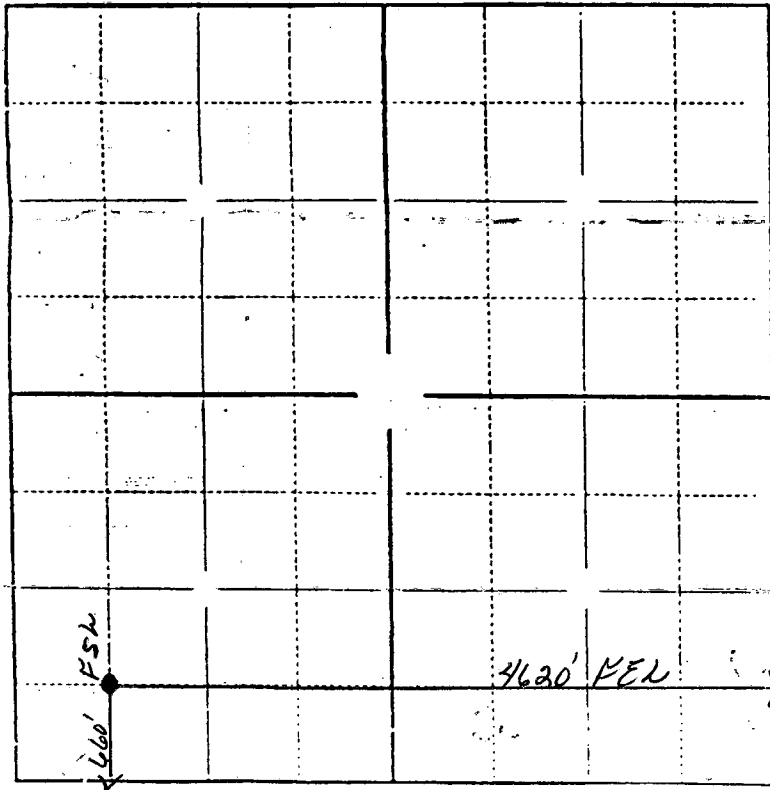
NUMBER OF ACRES ATTRIBUTABLE TO WELL _____
 QTR/QTR/QTR OF ACREAGE _____

IS SECTION _____ REGULAR or _____ IRREGULAR
IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST CORNER BOUNDARY.

Section corner used: _____ NE _____ NW _____ SE _____ SW

PLAT

(Show location of the well and shade attributable acreage for prorated or spaced wells.)
 (Show footage to the nearest lease or unit boundary line.)



In plotting the proposed location of the well, you must show:

- 1) The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.;
- 2) the distance of the proposed drilling location from the section's south/north and east/west lines; and
- 3) the distance to the nearest lease or unit boundary line.