

EFFECTIVE DATE: 5-3-92

State of Kansas

DISTRICT # 1
SEA? Yes, X No

NOTICE OF INTENTION TO DRILL

Must be approved by the K.C.C. five (5) days prior to commencing well

Expected Spud Date April 31, 1992
month day year

Spot NW SW NW Sec 19 Twp 16 S Rg 25 East X West

OPERATOR: License # 4689
Name: Thomas C. Lutz
Address: P. O. Drawer 940
City/State/Zip: Fayetteville, AR 72702
Contact Person: Thomas C. Lutz
Phone: (501)-443-5430

3630 feet from South / North line of Section
4950 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: Ness
Lease Name: Horacek Well #: 1
Field Name: Arnold unnamed

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

Is this a Prorated/Spaced Field? yes X no
Target Formation(s): Mississippian

Nearest lease or unit boundary: 330'
Ground Surface Elevation: Est. 2595' feet MSL

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

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

Depth to bottom of fresh water: 125'
Depth to bottom of usable water: 1175'

Surface Pipe by Alternate: 1 X 2
Length of Surface Pipe Planned to be set: 240'

Length of Conductor pipe required: N/A
Projected Total Depth: 4600'

Formation at Total Depth: Mississippian
Water Source for Drilling Operations:
... well ... farm pond X other

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

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: 4-27-92 Signature of Operator or Agent: [Signature] Title: Agent

FOR KCC USE:
API # 15- 135-23674 0800
Conductor pipe required None feet
Minimum surface pipe required 200 feet per Alt. X (2)
Approved by: [Signature] 4-28-92

This authorization expires: 10-28-92
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: Agent:

RECEIVED
STATE CORPORATION COMMISSION
APR 28 1992
CONSERVATION DIVISION
Wichita, Kansas

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.

19
16
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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 _____

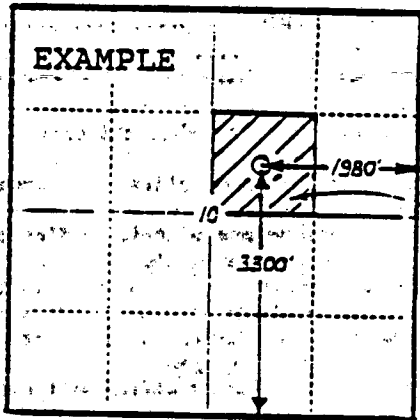
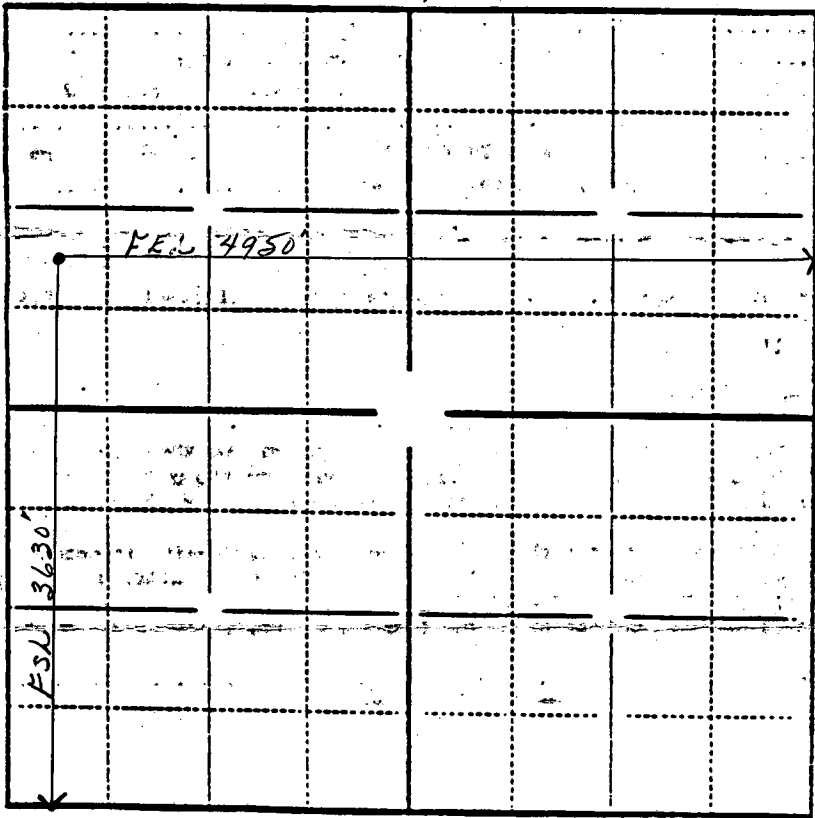
NUMBER OF ACRES ATTRIBUTABLE TO WELL _____
 QTR/QTR/QTR OF ACREAGE _____

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.)



40 ACRES

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.