

NOTICE OF INTENTION TO DRILL

(see rules on reverse side)

Starting Date 7 31 87
month day year

API Number 15-101-21,403-00-00

OPERATOR: License # 3423
Name Cibola Resources Corporation
Address 70-Benson-McEown & Company
City/State/Zip Amarillo, Texas
Contact Person Jack Partridge
Phone 262-1841

..... East
..... SE. NE. Sec. 17... Twp. 17. S, Rg 27..... X West
..... 660' - FEL 3300' Ft. from South Line of Section
..... 3300' - FSL 660' Ft. from East Line of Section

(Note: Locate well on Section Plat on reverse side)

CONTRACTOR: License # 5422
Name Abercrombie Drilling, Inc.
City/State Wichita, KS 67202

Nearest lease or unit boundary line 330' feet
County Lane

Well Drilled For: Well Class: Type Equipment:
 Oil SWD Infield Mud Rotary
 Gas Inj Pool Ext. Air Rotary
 OWWO Expl Wildcat Cable

Lease Name Waterson Well # 1
Ground surface elevation feet MSL

If OWWO: old well info as follows:

Domestic well within 330 feet:yes no
Municipal well within one mile:yes no
Surface pipe by Alternate: 1 2
Depth to bottom of fresh water 120'
Depth to bottom of usable water 900' 1000'
Surface pipe planned to be set 350'
Projected Total Depth 4650' feet
Formation Mississippian

Operator
Well Name
Comp Date Old Total Depth

I certify that well will comply with K.S.A. 55-101, et seq., plus eventually plugging hole to KCC specifications.

..... cementing will be done immediately upon setting production casing.
Date July 23, 1987 Signature of Operator or Agent *Paul L. Partridge* Title Vice-President

For KCC Use:

Conductor Pipe Required feet; Minimum Surface Pipe Required 200 feet per Alt. **NO 2**

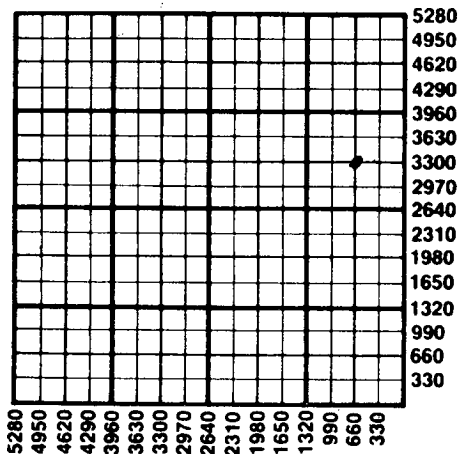
This Authorization Expires 1-23-88 Approved By *Paul L. Partridge* 7-23-87

Must be filed with the K.C.C. five (5) days prior to commencing well
This card void if drilling not started within six (6) months of date received by K.C.C.

Important procedures to follow:

1. Notify District office before setting surface casing.
2. Set surface casing by circulating cement to the top.
3. File completion forms ACO-1 with K.C.C. within 90 days of well completion, following instructions on ACO-1, side 1, and including copies of wireline logs.
4. Notify District office 48 hours prior to old well workover or re-entry.
5. Prior to filing Intent, prepare a proposed plugging plan in case well is D & A, then obtain approval of plan when calling district office prior to setting surface pipe.
6. Submit plugging report (CP-4) to K.C.C. after plugging is completed.
7. Obtain an approved injection docket number before disposing of salt water.
8. Notify K.C.C. within 10 days when injection commences or terminates.
9. If an alternate 2 completion, cement in the production pipe from below any usable water to surface within 120 days of spud date.

A Regular Section of Land
1 Mile = 5,280 Ft.



RECEIVED
STATE CORPORATION COMMISSION

JUL 23 1987

CONSERVATION DIVISION
Wichita, Kansas

State Corporation Commission of Kansas
Conservation Division
200 Colorado Derby Building
Wichita, Kansas 67202
(316) 263-3238