

CARD MUST BE TYPED

State of Kansas

CARD MUST BE SIGNED

NOTICE OF INTENTION TO DRILL

(see rules on reverse side)

Expected Spud Date. 7 31 87
month day year

API Number 15- 101-21,004-A 0001

OPERATOR: License # 5161
Name Palomino Petroleum
Address Route 5 Box 51-C
City/State/Zip Newton, Kansas 67114
Contact Person Bob Watchous
Phone (316) 283-0232
CONTRACTOR: License # 4958
Name Mallard JV, Inc.
City/State McPherson, Kansas 67460

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

If OWWO: old well info as follows:

Operator Landmark Oil Exploration, Inc.
Well Name #1-13 Hineman
Comp Date 8-13-84 Old Total Depth 4652

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

Date 7-16-87 Signature of Operator or Agent Bob Watchous Title Owner

For KCC Use:

Conductor Pipe Required feet; Minimum Surface Pipe Required 250 feet per Alt. X (2)
This Authorization Expires 1-17-88 Approved By 7-17-87

S/2 N/2 SE Sec. 13 Twp. 19 S. Rg. 28 East
1650 Ft. from South Line of Section
1320 Ft. from East Line of Section

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

Nearest lease or unit boundary line 990 feet
County Lane
Lease Name Hineman Well # 3

Ground surface elevation 2739 feet MSL

Domestic well within 330 feet: — yes ☒ noMunicipal well within one mile: — yes ☒ no

Depth to bottom of fresh water 80

Depth to bottom of usable water 1200

Surface pipe by Alternate: 1 — 2 ☒ XSurface pipe ~~plugged to~~ set 256 ft.

Conductor pipe required

Projected Total Depth 4652 feet

Formation Miss.

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

Date 7-16-87 Signature of Operator or Agent Bob Watchous Title Owner

For KCC Use:

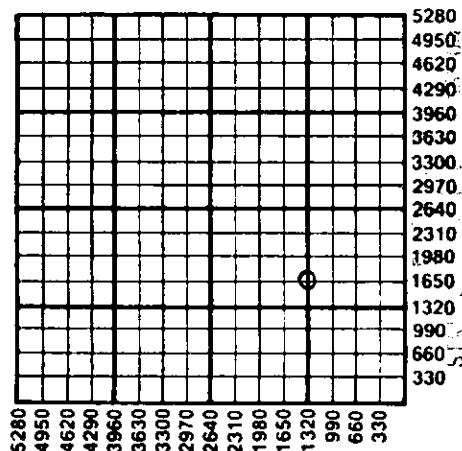
Conductor Pipe Required feet; Minimum Surface Pipe Required 250 feet per Alt. X (2)
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Must be filed with the K.C.C. five (5) days prior to commencing well
This card void if drilling not started within six (6) months of date received by K.C.C.

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 120 days of well spud date, 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.



JUL 17 1987
7-17-87

State Corporation Commission of Kansas
Conservation Division
200 Colorado Derby Building
Wichita, Kansas 67202-1212
(316) 263-3238