

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- 101-21004-A 0001

OWWO

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:

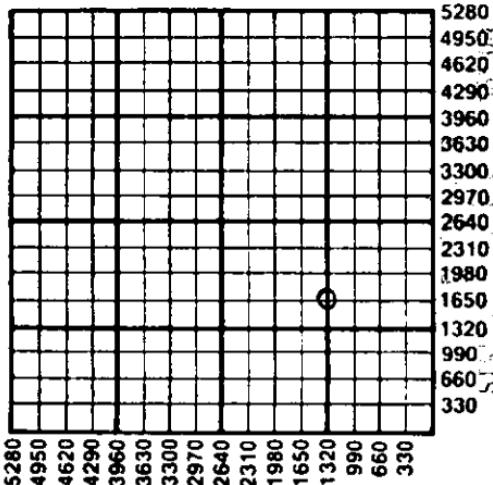
Conductor Pipe Required feet; Minimum Surface Pipe Required 250 feet per Alt. X 2

This Authorization Expires 1/17/88 Approved By *get 7-17-87*

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:

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



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.

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