

NOTICE OF INTENTION TO DRILL

(see rules on reverse side)

9
 Expected Spud Date. 7 24 87
 month day year

API Number 15-101-21,401-0000

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

E/2 E/2 SE Sec. 13 Twp. 19 S, Rg. 28 X West
 1320 Ft. from South Line of Section
 330 Ft. from East Line of Section

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

CONTRACTOR: License # 4958
 Name Mallard JV, Inc.
 City/State McPherson, Kansas 67460

Nearest lease or unit boundary line 330 feet
 County Lane

Lease Name Hineman Well # 2
 Ground surface elevation 2735 est. feet MSL

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

Domestic well within 330 feet: ___yes no
 Municipal 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

If OWWO: old well info as follows:

Surface pipe planned to be set 200+

Operator

Conductor pipe required

Well Name

Projected Total Depth 4650 feet

Comp Date Old Total Depth

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 200 feet per Alt. (2)

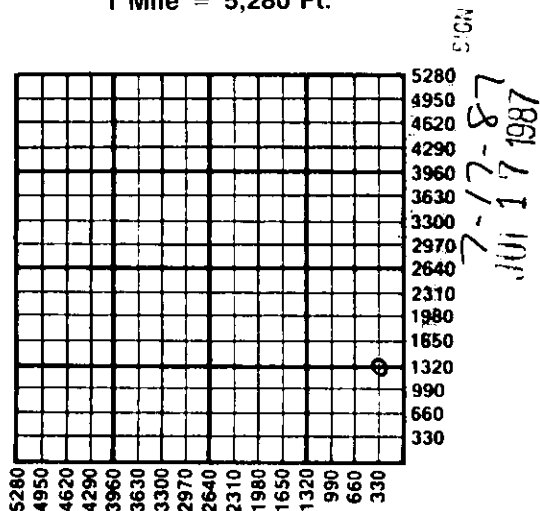
This Authorization Expires 1-17-88 Approved By PH 7-17-87

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:

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. 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.**



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