

CARD MUST BE TYPED

State of Kansas

CARD MUST BE SIGNED

NOTICE OF INTENTION TO DRILL

(see rules on reverse side)

Starting Date Feb 21 1987 month day year

API Number 15- 101-21,364-6000

OPERATOR: License # 5161

NW SE SE Sec. 13 Twp. 19 S, Rg. 28 East West

Name Palomino Petroleum

990 Ft. from South Line of Section

Address Route 5 Box 51-C

990 Ft. from East Line of Section

City/State/Zip Newton, KS 67114

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

Contact Person Bob Watchous

Nearest lease or unit boundary line 990 feet

Phone (316) 283-0232

County Lane

CONTRACTOR: License # 4958

Lease Name Hineman Well # 1

Name J.V. Mallard, Inc.

Ground surface elevation 2735 feet MSL

City/State McPherson, KS 67460

Domestic well within 330 feet: yes X no

Well Drilled For: Well Class: Type Equipment:

Municipal well within one mile: yes X no

X Oil SWD Infield Mud Rotary

Depth to bottom of fresh water 80

Gas Inj Pool Ext Air Rotary

Depth to bottom of usable water 1200

OWWO Expl Wildcat Cable

Surface pipe by Alternate: 1 2 X

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 2-5-87 Signature of Operator or Agent

Bob Watchous Title Owner

For KCC Use:

Conductor Pipe Required feet; Minimum Surface Pipe Required 200 feet per Alt.

This Authorization Expires 8-9-87 Approved By

2-9-87

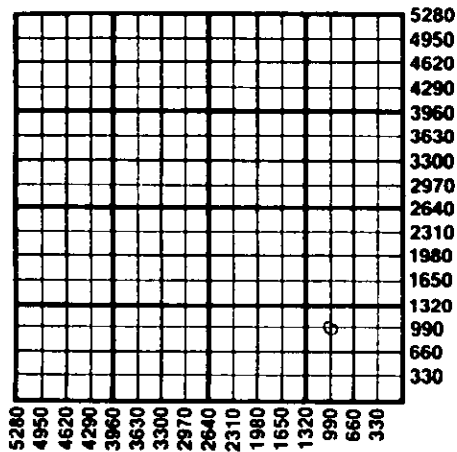
Handwritten signature and initials

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.
Submit plugging report (CP-4) to K.C.C. after plugging is completed.
6. 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

2-9-87
FEB 9 1987

CONSERVATION DIVISION
Wichita, Kansas

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