

CARD MUST BE TYPED

State of Kansas

CARD MUST BE SIGNED

NOTICE OF INTENTION TO DRILL

(see rules on reverse side)

Expected Spud Date. 1 11 88
month day year

API Number 15— 101-21,451-0000

OPERATOR: License # 5161

NE SE NW Sec. 20 Twp. 19 S. Rg. 28 X East
West

Name Palomino Petroleum

3630 Ft. from South Line of Section

Address Route 5 Box 51-C

2970 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 330 feet

Phone (316) 283-0232

County Lane

CONTRACTOR: License # 4083

Lease Name Lenore Well # 2

Name Western Kansas Drilling Co., Inc.

Ground surface elevation 2787 est. feet MSL

City/State Hays, KS 67601

Domestic well within 330 feet: X yes X no

Well Drilled For: Well Class: Type Equipment:

Municipal well within one mile: X yes X noX Oil Storage X Infield X Mud Rotary

Depth to bottom of fresh water 80

 Gas Inj Pool Ext. Air Rotary

Depth to bottom of usable water 1300

 OWWO Expl Wildcat CableSurface 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 4700 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 1-5-88 Signature of Operator or Agent Bob Watchous

Title Owner

For KCC Use:

Conductor Pipe Required feet; Minimum Surface Pipe Required 200 feet per Alt. X (2)

This Authorization Expires 7-6-88 Approved By RCH 1-6-88

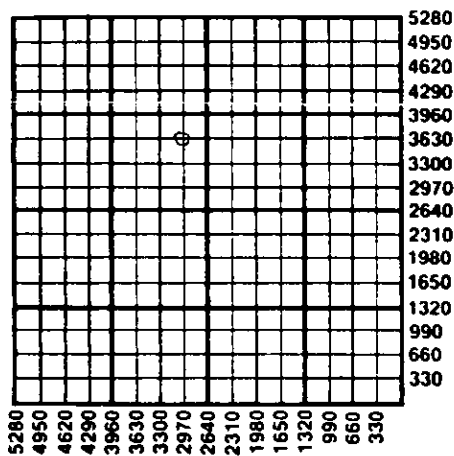
EFFECTIVE DATE: 1-11-88

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.



1-6-88

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