

CARD MUST BE TYPED

State of Kansas

CARD MUST BE SIGNED

NOTICE OF INTENTION TO DRILL

(see rules on reverse side)

Expected Spud Date. 11 9 87 month day year

API Number 15- 101-21,430-0000



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

NE SW NW Sec. 20 Twp. 19 S, Rg. 28 West 3630 Ft. from South Line of Section 4290 Ft. from East Line of Section

CONTRACTOR: License # 4083 Name Western Kansas Drilling, Inc. City/State Hays, Kansas 67601

(Note: Locate well on Section Plat on reverse side) Nearest lease or unit boundary line 990 feet County Lane Lease Name Lenore Well # 1

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

Ground surface elevation 2782 est. feet MSL Domestic well within 330 feet: yes X no Municipal well within one mile: yes X no Depth to bottom of fresh water 80 Depth to bottom of usable water 1300 Surface pipe by Alternate: 1 2 X

If OWWO: old well info as follows: Operator Well Name Comp Date Old Total Depth

Surface pipe planned to be set 200+ Conductor pipe required Projected Total Depth 4700 Formation Miss.

I certify that well will comply with K.S.A. 55-101, et seq., plus eventually plugging permits KCC specifications. Date 10-16-87 Signature of Operator or Agent

Handwritten signature: Bob Watchous

Title Owner

For KCC Use: Conductor Pipe Required feet; Minimum Surface Pipe Required 200 feet per Alt. This Authorization Expires 4-20-88 Approved By RW 10-20-87



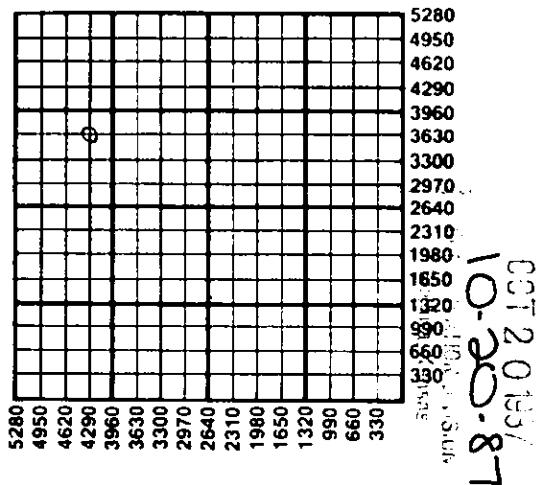
EFFECTIVE DATE: 10-25-87

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.
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.



State Corporation Commission of Kansas
Conservation Division
200 Colorado Derby Building
Wichita, Kansas 67202-1212
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