

CARD MUST BE TYPED

State of Kansas

CARD MUST BE SIGNED

NOTICE OF INTENTION TO DRILL

(see rules on reverse side)

Starting Date 2 16 87 month day year

API Number 15- 101-2,363-00-00

OPERATOR: License # 5161 Name Palomino Petroleum Address Route 5 Box 51-C City/State/Zip Newton, KS 67114 Contact Person Bob Watchous Phone (316) 283-0232

SW NE NW Sec 26 Twp 19 S, Rg 28 X West 4290 Ft. from South Line of Section 3630 Ft. from East Line of Section

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

CONTRACTOR: License # 4958 Name Mallard J.V., Inc. City/State McPherson, KS 67460

Nearest lease or unit boundary line 990 feet County Lane Lease Name Rachel Well # 1

Ground surface elevation 2745 est. feet MSL

Well Drilled For: X Oil SWD Infield X Mud Rotary Gas Inj Pool Ext Air Rotary OWWO Expl Wildcat Cable

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

Surface pipe planned to be set 200'+

Conductor pipe required

Projected Total Depth 4700 feet

Formation Miss.

If OWWO: old well info as follows:

Operator Well Name Comp Date Old Total Depth

I certify that well will comply with K.S.A. 55-101, et seq., plus eventually plugging hole to KCC specifications.

Date 2-2-87 Signature of Operator or Agent Bob Watchous Title Owner

For KCC Use:

Conductor Pipe Required feet; Minimum Surface Pipe Required 200 feet per Alt. 40

This Authorization Expires 8-1-87 Approved By 2-1-87

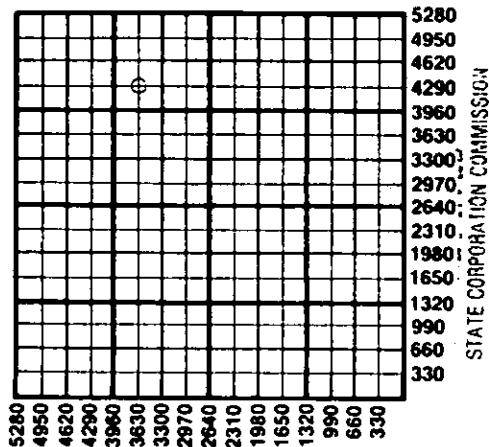
Handwritten signature and initials at bottom right.

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.
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.



FEB 4 1987

CONSERVATION DIVISION

Wichita, Kansas

02-04-1987

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