

CARD MUST BE TYPED

State of Kansas

CARD MUST BE SIGNED

NOTICE OF INTENTION TO DRILL

(see rules on reverse side)

Starting Date 01-17-86
month day year

API Number 15- 135-22,997-00-00

OPERATOR: License # 8572
Name Reach Oil Corp., dba The Reach Group
Address 229 E. William, Suite 500
City/State/Zip Wichita, Kansas 67202
Contact Person Jim Gowens
Phone 262-1515

W 1 SW 1 NW 1 Sec. 24 Twp. 16 S, Rg. 21 East West
3300 Ft. from South Line of Section
4950 Ft. from East Line of Section

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

CONTRACTOR: License # 8059
Name Robert Gay Energy Enterprises, Inc.
City/State Hutchinson, Kansas

Nearest lease or unit boundary line 330 feet
County Ness

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

Lease Name Grumbein Well # 1
Ground surface elevation est. 2230 feet MSL

If OWWO: old well info as follows:

Operator
Well Name
Comp Date Old Total Depth

Domestic well within 330 feet: yes no
Municipal well within one mile: yes no
Surface pipe by Alternate: 1 2
Depth to bottom of fresh water 250'
Depth to bottom of usable water 600'
Surface pipe planned to be set 300'
Projected Total Depth 4100 feet
Formation Cherokee

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

 cementing will be done immediately upon setting production casing.

Date 01-10-86 Signature of Operator or Agent [Signature] Title Exploration Manager

For KCC Use:

Conductor Pipe Required feet; Minimum Surface Pipe Required 250 feet per ft. 2

This Authorization Expires 7-13-86 Approved By [Signature] 7-13-86

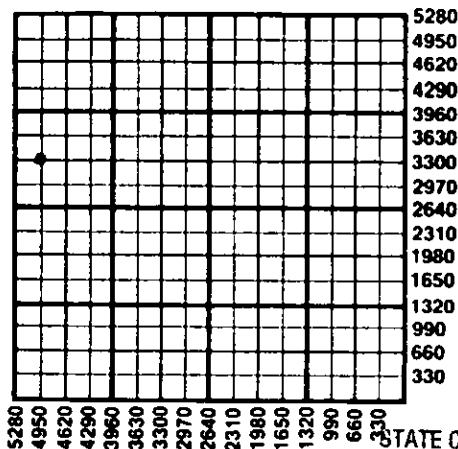
RA/KCH

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.



RECEIVED

STATE CORPORATION COMMISSION

JAN 13 1986
CONSERVATION DIVISION
Wichita, Kansas

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