

NOTICE OF INTENTION TO DRILL

(see rules on reverse side)

Starting Date 12/17/86 month day year 3-48

API Number 15- 135-23,089-00-00

OPERATOR: License # 5474

SE SE NE Sec. 4 Twp. 17 S, Rg. 21 X-East

Name Northern Lights Oil Co.

Address 212 N. Market, Suite 400

City/State/Zip Wichita, Kansas 67202

Contact Person John W. Sutherland, Jr.

Phone (316) 263-1008

2970 Ft. from South Line of Section

330 Ft. from East Line of Section

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

Nearest lease or unit boundary line 330 feet

County Ness

Lease Name Derr Well # 1

CONTRACTOR: License # 4958

Name J. V. Mallard, Inc.

City/State McPherson, Kansas 67460

Ground surface elevation feet MSL

Domestic well within 330 feet: yes X no

Municipal well within one mile: yes X no

Well Drilled For: Well Class: Type Equipment:

X Oil SWD Infield X Mud Rotary

Gas Inj Pool Ext Air Rotary

OWWO Expl Wildcat Cable

Depth to bottom of fresh water 200

Depth to bottom of usable water 700

Surface pipe by Alternate: 1 2 X

If OWWO: old well info as follows:

Surface pipe planned to be set 300

Conductor pipe required 0

Projected Total Depth Cherokee feet

Formation Cherokee

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 12/17/86 Signature of Operator or Agent John W. Sutherland Title GENERAL PARTNER

For KCC Use:

Conductor Pipe Required feet; Minimum Surface Pipe Required 250 feet per Alt. # 2

This Authorization Expires 6-17-87 Approved By 12-17-86

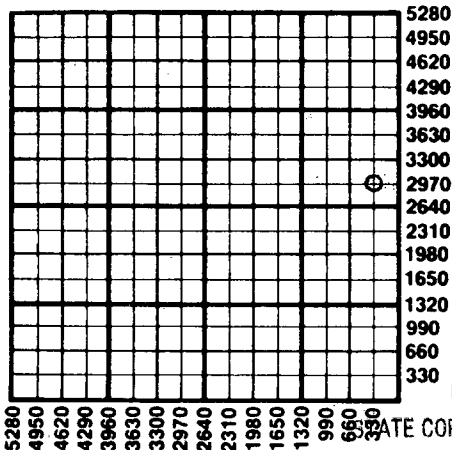
Handwritten signature

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.

**A Regular Section of Land**  
**1 Mile = 5,280 Ft.**



RECEIVED

STATE CORPORATION COMMISSION

DEC 17 1986

12-17-1986  
 CONSERVATION DIVISION  
 Wichita, Kansas

If an alternate 2 completion, cement in the production pipe from below any usable water to surface within 120 days of spud date.

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