

EFFECTIVE DATE: 1-13-90

NOTICE OF INTENTION TO DRILL

Must be approved by the K.C.C. five (5) days prior to commencing well

Expected Spud Date JAN 15 1990
month day year

N/2 S/2 SW Sec 7 Twp 18 S, Rg 23 East
X West

OPERATOR: License # 04373
Name: DOWNING-NELSON OIL
Address: POB 372
City/State/Zip: HAYS, KANSAS 67601
Contact Person: RON NELSON
Phone: 913-628-3449

990 feet from South line of Section
3960 feet from East line of Section
(Note: Locate well on Section Plat Below)

CONTRACTOR: License #: 3300
Name: LLOYD DRILLING

County: NESS
Lease Name: G. R. M. Well #: 1
Field Name: MINER

Well Drilled For: Well Class: Type Equipment:
X Oil ... Inj ... Infield X Mud Rotary
... Gas ... Storage X Pool Ext. ... Air Rotary
... OWMO ... Disposal ... Wildcat ... Cable
... Seismic; ... # of Holes

Is this a Prorated Field? ... yes X no
Target Formation(s): CHEROKEE SAND
Nearest lease or unit boundary: 330'
Ground Surface Elevation: 2321' feet MSL
Domestic well within 330 feet: ... yes X no
Municipal well within one mile: ... yes X no
Depth to bottom of fresh water: 150'
Depth to bottom of usable water: 850'
Surface Pipe by Alternate: ... 1 X 2
Length of Surface Pipe Planned to be set: 200'
Length of Conductor pipe required: NONE
Projected Total Depth: 4400'
Formation at Total Depth: MISSISSIPPI
Water Source for Drilling Operations:
... well X farm pond ... other

If OWMO: old well information as follows:
Operator:
Well Name:
Comp. Date: Old Total Depth

DWR Permit #: UNKNOWN
Will Cores Be Taken?: ... yes X no
If yes, proposed zone: NONE

Directional, Deviated or Horizontal wellbore? ... yes X no
If yes, total depth location: NONE

AFFIDAVIT

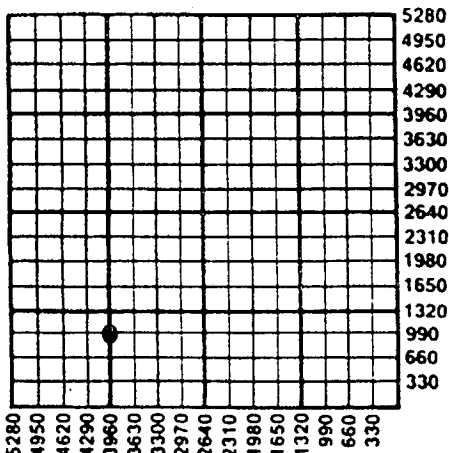
The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, et. seq.

It is agreed that the following minimum requirements will be met:

1. The appropriate district office shall be notified before setting surface pipe;
2. The minimum amount of surface pipe as specified above shall be set by circulating cement to the top; in all cases surface pipe shall be set through all unconsolidated materials plus a minimum of 20 feet into the underlying formation;
3. If the well is dry, a plugging proposal shall be submitted to the district office. An agreement between the operator and the district office on plug length and placement is necessary prior to plugging;
4. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
5. If an Alternate II completion, production pipe shall be cemented from below any usable water to surface within 120 days of spud date. In all cases, notify district office prior to any cementing.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: JAN 3, 1990 Signature of Operator or Agent: Ron Nelson Title: PARTNER



STATE CORPORATION COMMISSION
RECEIVED
JAN 4 1990
01-04-1990
CONSERVATION DIVISION
Wichita, Kansas

FOR KCC USE:

API # 15- 135-23,420-00-00 1/4-1990

Conductor pipe required NONE feet

Minimum surface pipe required 200' feet per Alt. X(2)

Approved by: DPW 1-8-90

EFFECTIVE DATE: 1-13-90

This authorization expires: 7-8-90

(This authorization void if drilling not started within 6 months of effective date.)

Spud date: _____ Agent: _____

REMEMBER TO:

- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed;
- Obtain written approval before disposing or injecting salt water.