NOTICE OF INTENTION TO DRILL

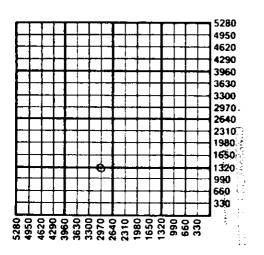
(see rules on reverse side)

Expected Spud Date	API Number 15— 135 - 23 15/
month day year	East East
OPERATOR: License # . 5161	E/2 E/2 SW Sec 13 Twp. 17 S, Rg 26 X West
Name Palomino Petroleum	1320 Ft. from South Line of Section
Address Route 5. Box 51-C	
City/State/Zip Newton, KS 67114	(Note: Locate well on Section Plat on reverse side)
Contact Person. Bob Watchous	Nearest lease or unit boundary linefeet
Phone(316) 283-0232	
CONTRACTOR: License # 4958	County Ness Lease Name Klement "B" Well # 2
Name Mallard JV, Inc.	Ground surface elevation 2495 est
City/State McPherson, KS 67460	Domestic well within 330 feet:yes X_no
Well Drilled For: Well Class: Type Equipment:	Municipal well within one mile:yes X_no
X Oil Storage X Infield X Mud Rotary	Depth to bottom of fresh water40
Gas Inj Pool Ext Air Rotary	Depth to bottom of usable water900
OWWO Expl Wildcat Cable	Surface pipe by Alternate: 1 2 X
If OWWO: old well info as follows:	Surface pipe planned to be set200+
Operator	Conductor pipe required
Well Name /	Projected Total Depth
Comp Date Old Total Depth	Formation Miss.
I certify that well will comply with K.S.A. 55-101, et seq., plus eventual	by plugging hole to KCC specifications.
I certify that well will comply with K.S.A. 55-101, et seq., plus even pate	Talchor File Gurer Owner
For KCC Use: Conductor Pipe Required	pe Required
This Authorization Expires	Approved By 2 9 8-4-87
	11 /

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.

C

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



Important procedures to follow:

- 1. Notify District office before setting surface casing.
- 2. Set surface easing by circulating cement to the top.
- 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_{\odot} Obtain an approved injection docket number before disposing of salt $^{+}$ water.
- 8. Notify K.C.C. within 10 days when injection commences or termi-
- 9. 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 67202-1212 (316) 263-3238