

EFFECTIVE DATE: 5-21-95

State of Kansas

FORM MUST BE TYPED

DISTRICT # 1

NOTICE OF INTENTION TO DRILL

FORM MUST BE SIGNED

SGA7...Yes...Mo

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

ALL BLANKS MUST BE FILLED

Expected Spud Date ... JUNE 1st 1995 ... Spot SW-SE-NE-NE Sec 6 Twp 17 S, Rg 24 West

OPERATOR: License # 31565 Name: COYOTE, INC Address: 217 S. Broadway City/State/Zip: Wichita, KS 67202 Contact Person: Matt Schnitzler Phone: (316) 263-1200

CONTRACTOR: License #: 31548 Name: DISCOVERY DRILLING

Well Drilled For: Well Class: Type Equipment: Oil Enh Rec Infield Mud Rotary Gas Storage Pool Ext Air Rotary OWO Disposal Wildcat Cable Seismic; # of Holes Other

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

Directional, Deviated or Horizontal wellbore? yes no If yes, true vertical depth: Bottom Hole Location:

1155 feet from ... 495 feet from ... IS SECTION X REGULAR IRREGULAR (NOTE: Locate well on the Section Plat on Reverse Side) County: Ness Lease Name: OTIS Well #: 1-6 Field Name: Vermillion Is this a Prorated/Spaced Field? yes no Target Formation(s): Mississippian Nearest lease or unit boundary: .330 Ground Surface Elevation: .2503 feet MSL Water well within one-quarter mile: yes no Public water supply well within one mile: yes no Depth to bottom of fresh water: 180' Depth to bottom of usable water: 1100' Surface Pipe by Alternate: 1 X 2 Length of Surface Pipe Planned to be set: 200' Length of Conductor pipe required: NA Projected Total Depth: 4500' Formation at Total Depth: Mississippian Water Source for Drilling Operations: well X farm pond other

Will Cores Be Taken?: yes X no If yes, proposed zone:

* WAS: 1055' FNL IS: 1155' FNL

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. Notify the appropriate district office prior to spudding of well; 2. A copy of the approved notice of intent to drill shall be posted on each drilling rig; 3. The minimum amount of surface pipe as specified below 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; 4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary prior to plugging; 5. The appropriate district office will be notified before well is either plugged or production casing is cemented in; 6. 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: 5-15-95 Signature of Operator or Agent: Title: Field Superintendent

FOR KCC USE: API # 15- 135-238850000 Conductor pipe required NONE feet Minimum surface pipe required 200 feet per Alt. X (2) Approved by: SK 5-16-95 / SK 6-5-95 This authorization expires: 11-16-95 (This authorization void if drilling not started within 6 months of effective date.) Spud date: Agent:

MAILED MAY 16 1995

REMEMBER TO:

- File Drill Pit Application (form CDP-1) with Intent to Drill; Conservation Division Wichita, Kansas
- 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.

Mail to: KCC - Conservation Division, 130 S. Market - Room 207B, Wichita, Kansas 67202.

RECEIVED STATE CORPORATION COMMISSION MAY 16 1995

STATE CORPORATION COMMISSION CONSERVATION DIVISION WICHITA, KANSAS JUN 05 1995

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