

FORM MUST BE TYPED  
FORM C-1 12/88

State of Kansas  
NOTICE OF INTENTION TO DRILL

FORM MUST BE SIGNED  
ALL BLANKS MUST BE FILLED

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

Expected Spud Date ... August 15, 1989 .....  
month day year

SW. NE. NW. .... Sec .23. Twp .16. S, Rg 20... X East  
West

OPERATOR: License # ..... 04981 .....  
Name: ... Cholla Resources, Inc. ....  
Address: ... 1641 California St. Ste. #400 .....  
City/State/Zip: .. Denver, Colorado .. 80202 .....  
Contact Person: .. William Goff .....  
Phone: .. (303) 623-4565 .....

..... 4290 ..... feet from South line of Section  
..... 3630 ..... feet from East line of Section  
(Note: Locate well on Section Plat Below)

CONTRACTOR: License #: ..... 8241 .....  
Name: .... Emphasis Oil Operations .....

County: .. Bush .....  
Lease Name: Albert North Trust Well #: .. 1-23 ..... \*  
Field Name: ... Keough Southeast .....  
Is this a Prorated Field? .... yes ..X no  
Target Formation(s): .. Arbuckle .....  
Nearest lease or unit boundary: .. 990 .....  
Ground Surface Elevation: ... 2180 Est. .... feet MSL  
Domestic well within 330 feet: .... yes ..X.. no  
Municipal well within one mile: .... yes ..X.. no  
Depth to bottom of fresh water: ..... 450' .....  
Depth to bottom of usable water: ..... 800 .....  
Surface Pipe by Alternate: .... 1 ..X 2  
Length of Surface Pipe Planned to be set: ... 250' .....  
Length of Conductor pipe required: ... N/A .....  
Projected Total Depth: ... 4000' .....  
Formation at Total Depth: .. Arbuckle .....  
Water Source for Drilling Operations:  
... well ..X farm pond .... other  
DWR Permit #: .....  
Will Cores Be Taken?: ..... yes ..X. no  
If yes, proposed zone: .....

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

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

Directional, Deviated or Horizontal wellbore? .... yes ..X. no  
If yes, total depth location: .....

AFFIDAVIT

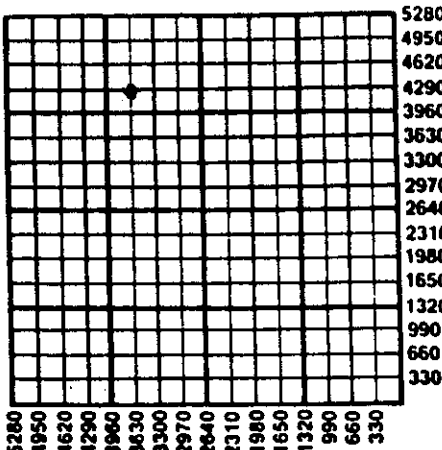
The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, et. seq.

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: ..8-14-89..... Signature of Operator or Agent: *Kyle B. Branum* Title...Agent.....



RECEIVED  
STATE CORPORATION COMMISSION  
AUG 15 1989  
CONSERVATION DIVISION  
Wichita, Kansas

FOR KCC USE:  
API # 15- 165-21,488 -0000  
Conductor pipe required NONE feet  
Minimum surface pipe required 250' feet per Alt. X(2)  
Approved by: DPW 8-15-89; ORG- 8-11-89  
EFFECTIVE DATE: 8-16-89  
This authorization expires: 2-11-90  
(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.