

CARD MUST BE TYPED

State of Kansas

CARD MUST BE SIGNED

NOTICE OF INTENTION TO DRILL

(see rules on reverse side)

100-41
Lawo

Expected Spud Date..... January 14, 1988
month day year

API Number 15-151-21, 373-A

OPERATOR: License #..... 5303
Name..... CANADAY OIL CORPORATION
Address..... 920 North Tyler
City/State/Zip..... Wichita, Kansas 67212
Contact Person..... Grant Canaday
Phone..... 316/722-3840

SE SE SW Sec. 30 Twp. 28 S, Rg. 12 X East West
330 Ft. from South Line of Section
2970 Ft. from East Line of Section

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

CONTRACTOR: License #..... 5864
Name..... LOBO DRILLING COMPANY
City/State..... Great Bend, Kansas 67530

Nearest lease or unit boundary line..... 330 feet
County..... Pratt
Lease Name..... Skiles Well #..... 1

Well Drilled For: Well Class: Type Equipment:
X Oil — Storage X Infield X Mud Rotary
— Gas — Inj — Pool Ext. — Air Rotary
X OWWO — Expl. — Wildcat — Cable

Ground surface elevation..... feet MSL
Domestic well within 330 feet: — yes X no
Municipal well within one mile: — yes X no
Depth to bottom of fresh water..... 280
Depth to bottom of usable water..... 280
Surface pipe by Alternate: 1 X 2
Surface pipe planned to be set..... 1017
Conductor pipe required 13 3/8 e 317'
Projected Total Depth..... 4788 feet
Formation..... Arbuckle

If OWWO: old well info as follows:

Operator..... ENERGETICS, INC.
Well Name..... Skiles #24-4-30
Comp Date..... 1/16/84 Old Total Depth..... 4788

I certify that well will comply with K.S.A. 55-101, et seq. plus (eventually) plugging hole to KCC specifications.

Date..... January 13, 1988 Signature of Operator or Agent.....

Sally R. Byers

Title..... Agent

For KCC Use:

Conductor Pipe Required..... feet; Minimum Surface Pipe Required..... 1016 feet per Alt. 1
This Authorization Expires..... 7-13-88 Approved By..... 1-13-88

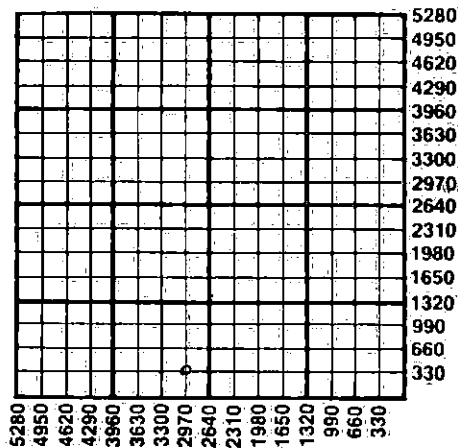
EFFECTIVE DATE: 1-18-88

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 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. Obtain an approved injection docket number before disposing of salt water.
8. Notify K.C.C. within 10 days when injection commences or terminates.
9. If an alternate 2 completion, cement in the production pipe from below any usable water to surface within 120 days of spud date.

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



JAN 13 1988
1-13-88
STATE CORPORATION COMMISSION OF KANSAS
CONSERVATION DIVISION
200 COLORADO DERBY BUILDING
WICHITA, KANSAS 67202-1212
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