

FOR KCC USE:

EFFECTIVE DATE: 7-29-92

DISTRICT # 2

SGA? Yes No

State of Kansas
NOTICE OF INTENTION TO DRILL

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

FORM C-1 7/91
FORM MUST BE TYPED
FORM MUST BE SIGNED
ALL BLANKS MUST BE FILLED

For 264-0592

Expected Spud Date July 21, 1992
month day year

Spot East
C... SE 1 - NE 1 Sec. 12 Twp 25 S, Rg 10 X West

OPERATOR: License # #6044 / #9855
Name: Stelbar Oil Corp., Inc. / Grand Mesa Operating Co
Address: 155 N. Market, Suite #500
City/State/Zip: Wichita, KS 67202
Contact Person: Roscoe L. Mendenhall
Phone: 316/264-8378

1980 feet from ~~SOUTH~~ North line of Section
610 feet from East ~~WEST~~ line of Section
IS SECTION X REGULAR IRREGULAR?

CONTRACTOR: License #: #03779
Name: Norseman Drilling, Inc.

(NOTE: Locate well on the Section Plat on Reverse Side)
County: Reno
Lease Name: Schmidt Well #: 1-12
Field Name: Undesignated Grove

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

is this a Prorated/Spaced Field? ... yes no
Target Formation(s): Mississippian
Nearest lease or unit boundary: 610'
Ground Surface Elevation: 1730' 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: 100' 105' 130'
Depth to bottom of usable water: 200'
Surface Pipe by Alternate: X 1 2
Length of Surface Pipe Planned to be set: 240'
Length of Conductor pipe required: 0-
Projected Total Depth: 4100'
Formation at Total Depth: Mississippian
Water Source for Drilling Operations:
 well ... farm pond ... other
DWR Permit #:

If OWWO: old well information as follows:
Operator:

Directional, Deviated or Horizontal wellbore? ... yes no
If yes, true vertical depth:

[Signature]
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 IS 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: July 16, 1992 Signature of Operator or Agent: Roscoe L. Mendenhall Title: Petroleum Engineer...
(Roscoe L. Mendenhall)

FOR KCC USE:
API # 15- 155-21209-0000
Conductor pipe required None feet
Minimum surface pipe required 150' feet per Alt.
Approved by: CB 7-24-92
This authorization expires: 7-24-93
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: _____ Agent: _____

RECEIVED
STATE CORPORATION COMMISSION
7-17-92
JUL 17 1992
CONSERVATION DIVISION
Wichita, Kansas

- 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.

Mail to: Conservation Division, 200 Colorado Derby Building, 202 W. First St., Wichita, Kansas 67202-1286.

12
25
10

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

PLAT OF ACREAGE ATTRIBUTABLE TO A WELL IN A PRORATED OR SPACED FIELD

If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please show all the wells within 1 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for oil wells.

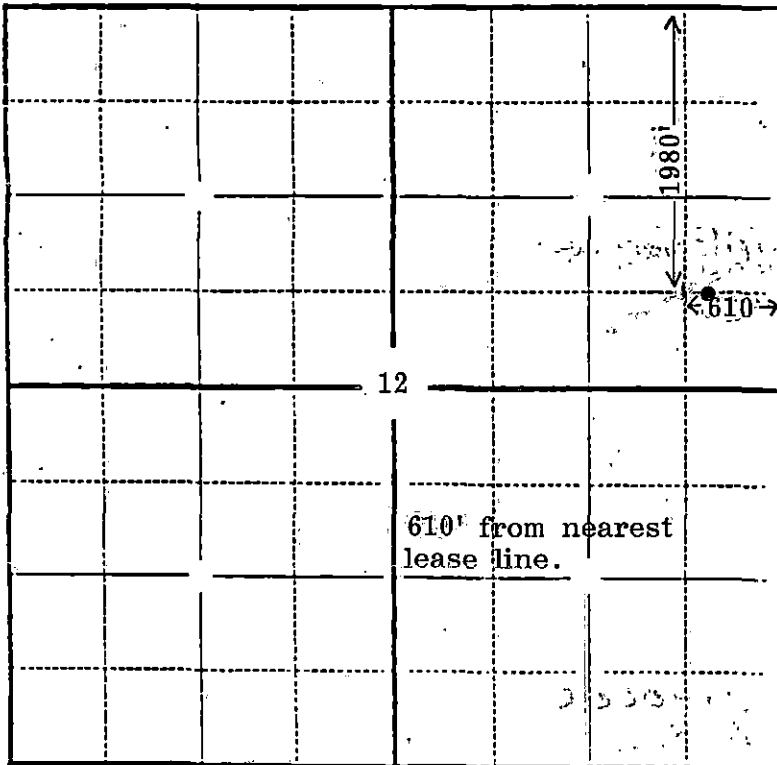
API NO. 15- _____
 OPERATOR Stelbar Oil Corp., Inc. / Grand Mesa LOCATION OF WELL: COUNTY Reno
 LEASE Schmidt Operating Co. 1980 feet from ~~xxxxx~~ north line of section
 WELL NUMBER #1-12 610 feet from east/~~xxxx~~ line of section
 FIELD Undesignated SECTION 12 TWP 25 South RG 10 West

NUMBER OF ACRES ATTRIBUTABLE TO WELL 80 IS SECTION X REGULAR or _____ IRREGULAR
 QTR/QTR/QTR OF ACREAGE _____ - E $\frac{1}{2}$ - NE $\frac{1}{4}$ IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST
CORNER BOUNDARY.

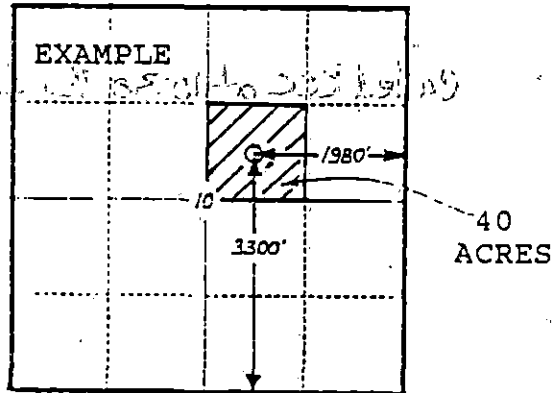
Section corner used: _____ NE _____ NW _____ SE _____ SW

PLAT

(Show location of the well and shade attributable acreage for prorated or spaced wells.)
 (Show footage to the nearest lease or unit boundary line.)



610' from nearest lease line.



SEWARD CO.

Section 12-T25S-R10W, Reno County, Kansas

In plotting the proposed location of the well, you must show:

- 1) The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.;
- 2) the distance of the proposed drilling location from the section's south/north and east/west lines; and
- 3) the distance to the nearest lease or unit boundary line.