

EFFECTIVE DATE: 10-4-94

FORM MUST BE TYPED

DISTRICT # 3

State of Kansas

FORM MUST BE SIGNED

SGA? Yes No

NOTICE OF INTENTION TO DRILL

ALL BLANKS MUST BE FILLED

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

Expected Spud Date October 3, 1994 month day year

Spot E1/2 - W1/2 - SW1/4 Sec 22 Twp 24 S, Rg 9W East West

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

1320 feet from South / BDKSH line of Section 1060 feet from EXXET / West line of Section

IS SECTION X REGULAR IRREGULAR?

(NOTE: Locate well on the Section Plat on Reverse Side)

County: Reno

Lease Name: Horton Well #: 1-22

Field Name: Plevna South

Is this a Prorated/Spaced Field? yes X no

Target Formation(s): Mississippian

Nearest lease or unit boundary: 1120'

Ground Surface Elevation: 1666' feet MSL

Water well within one-quarter mile: yes X no

Public water supply well within one mile: yes X no

Depth to bottom of fresh water: 75'

Depth to bottom of usable water: 140' - 80'

Surface Pipe by Alternate: X 1 2

Length of Surface Pipe Planned to be set: C200' / 120'

Length of Conductor pipe required: N/A

Projected Total Depth: 4000'

Formation at Total Depth: Mississippian

Water Source for Drilling Operations:

X well farm pond other

DWR Permit #: Applied For

Will Cores Be Taken? yes X no

If yes, proposed zone:

CONTRACTOR: License #: #5142 Name: Sterling Drilling Company

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

If DWVO: 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:

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: 09/26/94 Signature of Operator or Agent: Roscoe L. Mendenhall Title: Petroleum Engineer

FOR KCC USE: API # 15- 155 -21335-0000 Conductor pipe required NONE feet Minimum surface pipe required 100 feet per Alt. X Approved by: CB 9-29-94 This authorization expires: 3-29-94 (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.

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

22 24 9

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
 LEASE Horton Operating Co. _____
 WELL NUMBER #1-22
 FIELD Plevna South

LOCATION OF WELL: COUNTY Reno
1320 feet from south/north line of section
1060 feet from east/west line of section
 SECTION 22 TWP 24 South RG 9 West

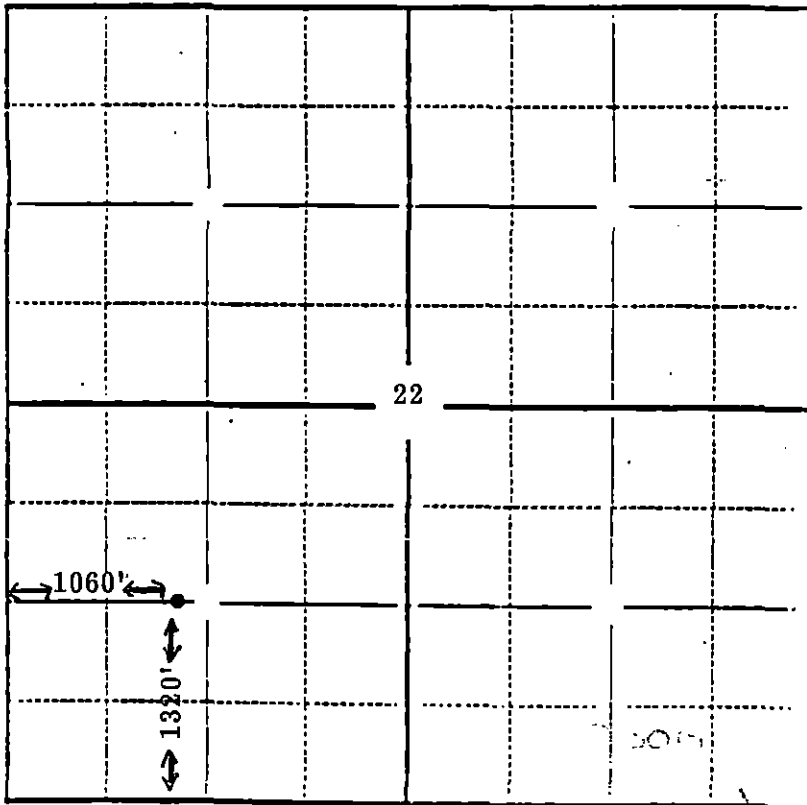
NUMBER OF ACRES ATTRIBUTABLE TO WELL 160
 QTR/QTR/QTR OF ACREAGE SW 1/4

IS SECTION x REGULAR or _____ IRREGULAR
 IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST
 CORNER BOUNDARY.

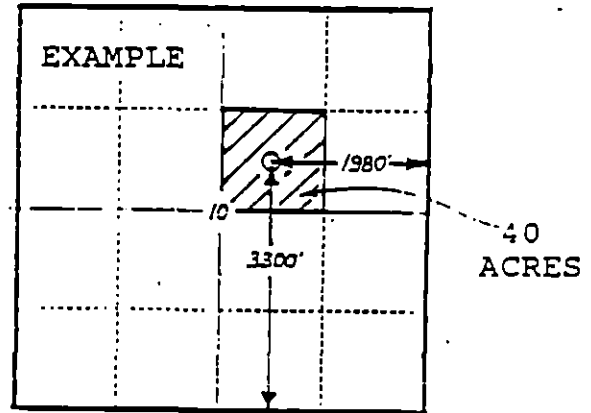
Section corner used: _____ NE _____ NW _____ SE _____ SW

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.)



Section 22-T24S-R9W, Reno County, Kansas



SEWARD CO.

RECEIVED
 STATE CORPORATION COMMISSION

SEP 27 1994

9-27-94
 WICHITA, 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.