

EFFECTIVE DATE: 8/29/94

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

Expected Spud Date 08/25/94 month day year

APPX Spot NW 1/4 NE 1/4 Sec 34 Twp 24S S, Rg 9W East West

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

1090 feet from SECOR / North line of Section 1980 feet from East / XXXX line of Section IS SECTION X REGULAR IRREGULAR? (NOTE: Locate well on the Section Plat on Reverse Side)

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

County: Reno Lease Name: Sullard Well #: 1-34 Field Name: Undesignated Is this a Prorated/Spaced Field? yes X no Target Formation(s): Mississippian Nearest lease or unit boundary: 660 Ft. Ground Surface Elevation: 1675 Ft. 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 Ft. Depth to bottom of usable water: 140 Ft. Surface Pipe by Alternate: X 1 Length of Surface Pipe Planned to be set: (200 Ft.) 145 Length of Conductor pipe required: N/A NONE Projected Total Depth: 4000 Ft. Formation at Total Depth: Mississippian Water Source for Drilling Operations: X well farm pond other

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

If CWVO: 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:

DWR Permit #: Applied For: Will Cores Be Taken?: yes X no If yes, proposed zone: RECEIVED

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will be in accordance with the provisions of the Kansas Conservation Commission Act, Chapter 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 COMPLETED, 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: 08/18/94 Signature of Operator or Agent: Roscoe L. Mendenhall Title: Petroleum Engineer (Roscoe L. Mendenhall)

FOR KCC USE: API # 15- 155-21330-0000 Conductor pipe required NONE feet Minimum surface pipe required 145 feet per Alt. 0X Approved by: CB 8/24/94 This authorization expires: 2/24/95 (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 ACD-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.

KANSAS CORPORATION COMMISSION 8-19-94 AUG 19 1994 CONSERVATION DIVISION WICHITA, KS

34 24 92

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 Sullard Operating Co. _____
 WELL NUMBER #1-34
 FIELD Undesignated

LOCATION OF WELL: COUNTY Reno
1090 feet from ~~xxxx~~/north line of section
1980 feet from east/~~west~~ line of section
 SECTION 34 TWP 24 South RG 9 West

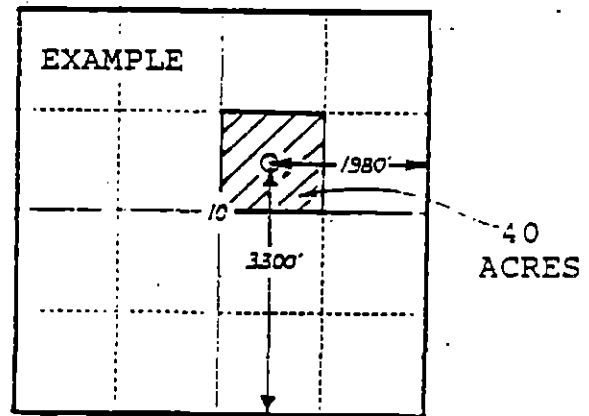
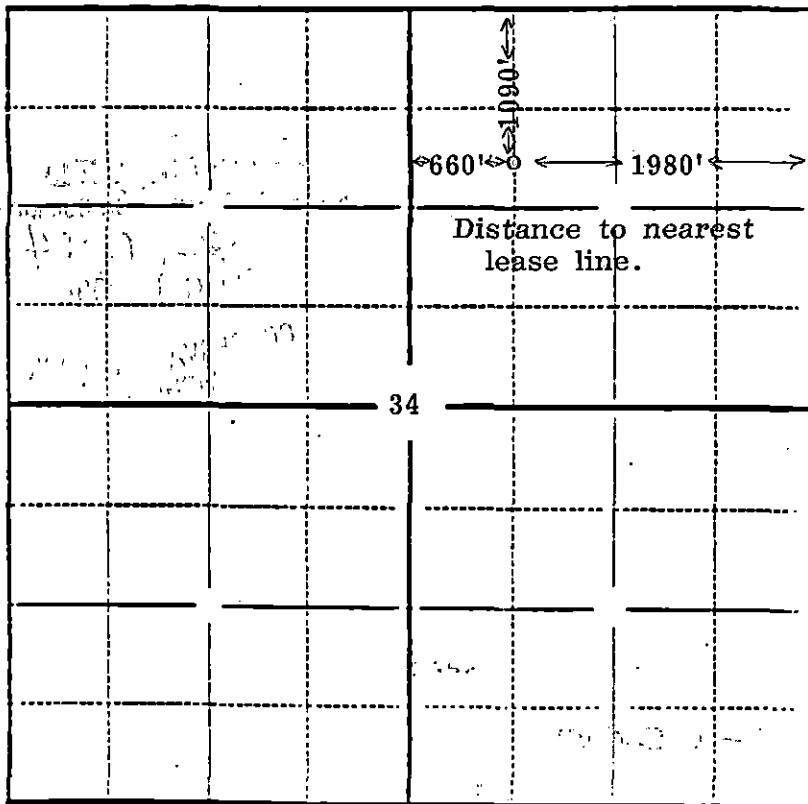
NUMBER OF ACRES ATTRIBUTABLE TO WELL 10
 QTR/QTR/QTR OF ACREAGE S $\frac{1}{2}$ - NW $\frac{1}{4}$ - NE $\frac{1}{4}$

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

Section corner used: x 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 34-T24S-R9W, 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.