

EFFECTIVE DATE: 7-13-94

FORM MUST BE TYPED

DISTRICT # 2

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 07/13/94 month day year

Spot SE 1/4 - SE 1/4 - NW 1/4 Sec 3 Twp 25S. S. Rg 8W East

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

APPROX 2210 F.W.L. feet from NORTH line of Section 3 APPROX 2310 F.W.L. feet from NORTH line of Section 3

IS SECTION REGULAR IRREGULAR

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

CONTRACTOR: License # #5142 Name: Sterling Drilling Company

County: Reno

Lease Name: Stull Well #: 1-3

Field Name: Unknown

Is this a Prorated/Spaced Field? yes no

Target Formation(s): Mississippian

Nearest lease or unit boundary: 330 Ft.

Ground Surface Elevation: 1595 Ft. 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: 75 Ft.

Depth to bottom of usable water: 140 Ft.

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: (200 Ft) 160'

Length of Conductor pipe required: N/A

Projected Total Depth: 4000 Ft.

Formation at Total Depth: Mississippian

Water Source for Drilling Operations:

Well farm pond other

DWR Permit #: Applied For

Will Cores Be Taken?: yes no

If yes, proposed zone:

Well Drilled For: Well Class: Type Equipment:

- Oil Gas OWWO Seismic; Other
... Enh Rec ... Storage ... Disposal ... # of Holes
... Infield ... Pool Ext. ... Wildcat ... Other
... Mud Rotary ... Air Rotary ... Cable

If OWWO: 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: 07/06/94 Signature of Operator or Agent: (John O. Shawver) Title: President

FOR KCC USE: API # 15- 155-21323-0000 Conductor pipe required NONE feet Minimum surface pipe required 160' feet per Alt. OX Approved by: UB, 7-8-94 This authorization expires: 1-8-95 (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 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.

Rec'd 7-6-94

W 255 8W

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 Stull Operating Co. _____
 WELL NUMBER #1-3
 FIELD Undesignated

LOCATION OF WELL: COUNTY Reno
 _____ feet from south/~~north~~ line of ~~XXXXXX~~
430
 _____ feet from east/~~west~~ line of ~~XXXXXX~~
330
 SECTION 3 TWP 25 South RG 8 West → NW $\frac{1}{4}$

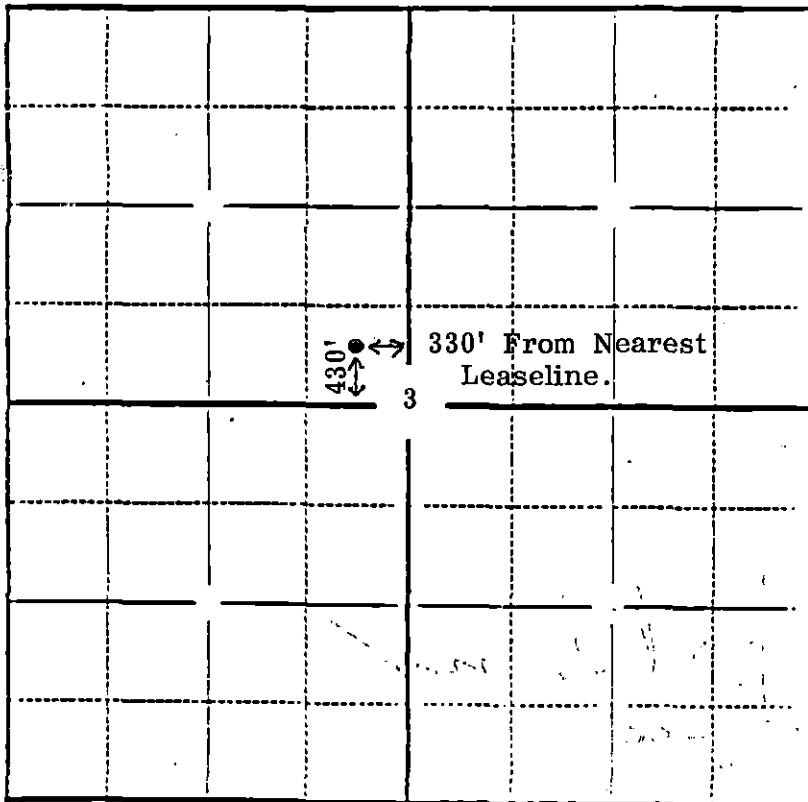
NUMBER OF ACRES ATTRIBUTABLE TO WELL 10
 QTR/QTR/QTR OF ACREAGE SE $\frac{1}{4}$ - SE $\frac{1}{4}$ - NW $\frac{1}{4}$

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

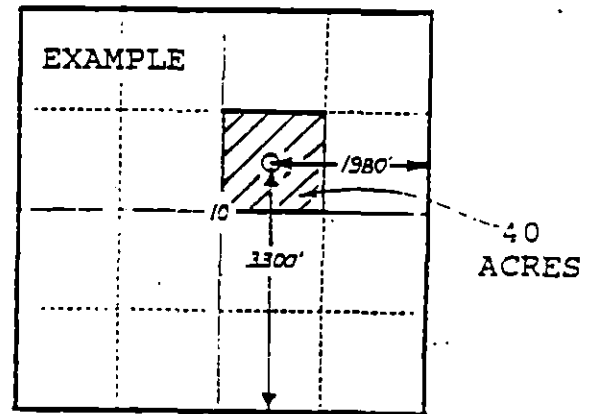
Section corner used: _____ NE x _____ NW _____ SE _____ SW

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 3-T25S-R8W, Reno County, Kansas



SEWARD CO.

RECEIVED
 KANSAS CORPORATION COMMISSION
 JUL 06 1994
 CONSERVATION DIVISION
 WICHITA, KS

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.