

EFFECTIVE DATE: 8-7-96 8-7-96
NOTICE OF INTENT TO DRILL DIST # 2
five (5) days prior to commencing well

State of Kansas
ALL BLANKS MUST BE FILLED SGA? Yes No Must be approved by the K.C.C.

Expected Spud Date .August.....6.....1996.....
month day year

Spot _____ East
.NE... .NE... .SW.. Sec .20.. Twp .28S. S, Rg .9... xx West

OPERATOR: License # 31739.....
Name: Iuka Carmi Development LLC.....
Address: P.O. Box 847.....
City/State/Zip: Pratt, KS 67124.....
Contact Person: Ken Gates.....
Phone: 316-672-2531.....

.2310..... feet from (South) line of Section
.2310..... feet from (West) line of Section
IS SECTION xxx REGULAR IRREGULAR?

CONTRACTOR: License #: 5173.....
Name: Pickerell Drilling.....

(NOTE: Locate well on the Section Plat on Reverse Side)
County: .Kingman.....
Lease Name: Swander..... Well #: 2 OWWO.....
Field Name: Pat Creek.....
Is this a Prorated/Spaced Field? yes xxx. no
Target Formation(s): Arbuckle.....
Nearest lease or unit boundary: 330.....
Ground Surface Elevation: 1718..... 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: 180.....
Depth to bottom of usable water: 180.....
Surface Pipe by Alternate: xx. 1 : 2
Length of Surface Pipe ~~Planned to be set~~: 281.....
Length of Conductor pipe required:
Projected Total Depth: 4616.....
Formation at Total Depth: Arbuckle.....
Water Source for Drilling Operations:
..... well farm pond xx.. other
DWR Permit #:
Will Cores Be Taken?: yes xxx. no
If yes, proposed zone:

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

If OWWO: old well information as follows:
Operator: Wyoming-Nebraska Oil Co.....
Well Name: Swander #2.....
Comp. Date: 6/21/1948..... Old Total Depth 4616.....

Directional, Deviated or Horizontal wellbore? yes xxx. 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: 7/22/96 Signature of Operator or Agent: Ronald J. [Signature] Title: Manager

FOR KCC USE: 095-01533-00-01
API # 15- 095-010210000
Conductor pipe required NONE feet
Minimum surface pipe required 281 feet per Alt. 1 X
Approved by: JK 8-7-96
This authorization expires: 2-2-97
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: _____ Agent: _____

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JUL 26 1996
CONSERVATION DIVISION
WICHITA, KS

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.

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MB

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 Iuka Carmi Development LLC _____
 LEASE Swander _____
 WELL NUMBER 2 OWWO _____
 FIELD Pat Creek _____

LOCATION OF WELL: COUNTY Kingman _____
 2310 _____ feet from south/ _____ line of section
 2310 _____ feet from _____ /west line of section
 SECTION _____ TWP _____ RG _____

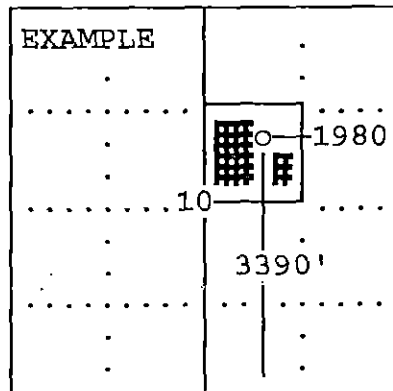
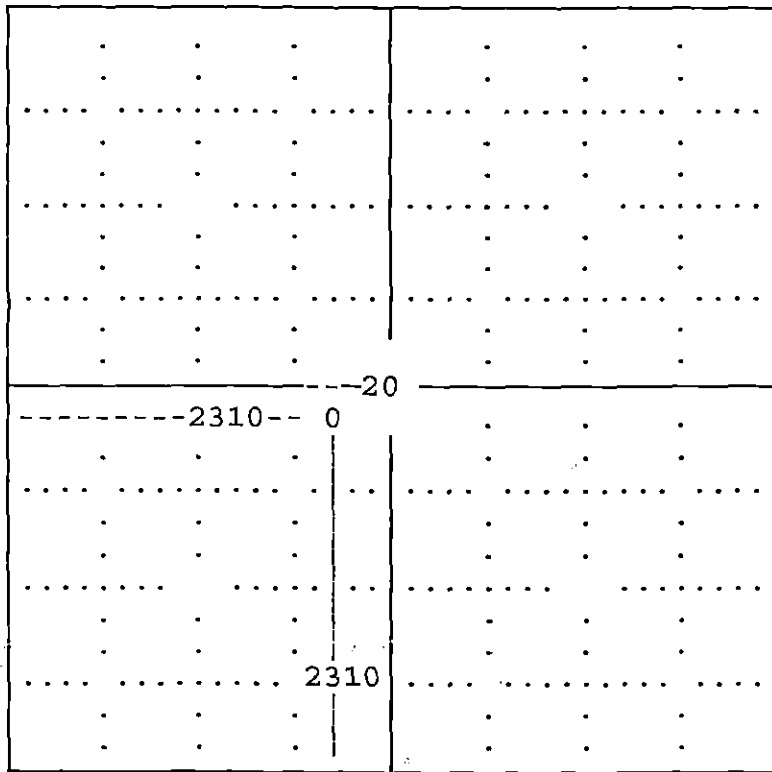
NUMBER OF ACRES ATTRIBUTABLE TO WELL 160 _____
 QTR/QTR/QTR OF ACREAGE _____ - _____ -NW _____

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

Section corner used: _____ NE _____ NW _____ SE xxx 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.)



SEWARD CO.

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, east, and west; and
- 3) the distance to the nearest lease or unit boundary line.

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