

EFFECTIVE DATE: 8-1-2001

State of Kansas

FORM MUST BE TYPED

DISTRICT # 4

NOTICE OF INTENTION TO DRILL

FORM MUST BE SIGNED

SGA? Yes No

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

ALL BLANKS MUST BE FILLED

Expected Spud Date September 25, 2001
month day year

Spot appr. - NE - NE Sec 29 Twp 4 S, Rg 18 XX East
West

OPERATOR: License # 5252
Name: R.P. Nixon Operations, Inc.
Address: 207 West 12th Street
City/State/Zip: Hays, KS 67601
Contact Person: Dan Nixon
Phone: 785-628-3834

4620 feet from South / North line of Section
585 feet from East / West line of Section
IS SECTION XX REGULAR IRREGULAR

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

County: Phillips
Lease Name: Elsie-Jackson Well #: 3 Twin
Field Name: Stoneman

CONTRACTOR: License #: _____
Name: to be determined at a later date

ADVISE ON ACO-1; MUST BE LICENSED WITH KCC

Is this a Prorated/Spaced Field? yes XX no
Target Formation(s): Lansing

Nearest lease or unit boundary: 585

Ground Surface Elevation: approx. 1848 feet MSL

Water well within one-quarter mile: X yes XX no

Public water supply well within one mile: yes XX no

Depth to bottom of fresh water: 150' 180'

Depth to bottom of usable water: 11150' 1760 B/DAKOTA

Surface Pipe by Alternate: XX 1 2

Length of Surface Pipe Planned to be set: 1385

Length of Conductor pipe required: NA

Projected Total Depth: 3290'

Formation at Total Depth: Base KC

Water Source for Drilling Operations:

well farm pond X other

DWR Permit #: _____

Will Cores Be Taken?: yes XX no

If yes, proposed zone: _____

Well Drilled For:	Well Class:	Type Equipment:
<u>X</u> Oil <input checked="" type="checkbox"/>	<u>X</u> Infield	<u>X</u> Mud Rotary
<u>Gas</u> <input type="checkbox"/>	<u>Pool Ext.</u> <input type="checkbox"/>	<u>Air Rotary</u> <input type="checkbox"/>
<u>OWWO</u> <input type="checkbox"/>	<u>Wildcat</u> <input type="checkbox"/>	<u>Cable</u> <input type="checkbox"/>
<u>Seismic;</u> <input type="checkbox"/>	<u># of Holes</u> <input type="checkbox"/>	<u>Other</u> <input type="checkbox"/>
<u>Enh Rec</u> <input type="checkbox"/>	<u>Storage</u> <input type="checkbox"/>	

If **OWWO**: old well information as follows:

Operator: _____
Well Name: _____
Comp. Date: _____ Old Total Depth _____

Directional, Deviated or Horizontal wellbore? yes XX 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: 07-20-01 Signature of Operator or Agent: [Signature] Title President

FOR KCC USE:
 API # 15- 147-20602-0000
 Conductor pipe required NONE feet
 Minimum surface pipe required 780 feet per Alt. OK
 Approved by: K 7-27-2001
 This authorization expires: 1-27-2002
 (This authorization void if drilling not started within 6 months of effective date.)
 Spud date: _____ Agent: _____

RECEIVED
KANSAS CORPORATION COMMISSION

JUL 23 2001

CONSERVATION DIVISION

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.