

FORM MUST BE TYPED

State of Kansas

FORM MUST BE SIGNED

FORM EFFECTIVE DATE: 2/20/90

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 February 17, 1990
month day year

C-E/2 NW SW 4 34 13 East
Sec Twp S, Rg West

OPERATOR: License # 5171
Name: TXO PRODUCTION CORPORATION
Address: 1660 Lincoln St. - Suite 1800
City/State/Zip: Denver, Colorado 80246
Contact Person: Cory West
Phone: 303/861-4246

1980 feet from South line of Section
4290 feet from East line of Section
(Note: Locate well on Section Plat Below)

CONTRACTOR: License #: 5864
Name: LOBO DRILLING COMPANY

County: Barber
Lease Name: Falen Well #: 2
Field Name: Unknown
Is this a Prorated Field? yes X no
Target Formation(s): Miss.
Nearest lease or unit boundary: 990
Ground Surface Elevation: Unknown feet MSL
Domestic well within 330 feet: yes X no
Municipal well within one mile: yes X no
Depth to bottom of fresh water: 200' 160'
Depth to bottom of usable water: 200' 180'
Surface Pipe by Alternate: X 1 2
Length of Surface Pipe Planned to be set: 360'
Length of Conductor pipe required: N/A
Projected Total Depth: 5100'
Formation at Total Depth: Mississippian
Water Source for Drilling Operations:
... well ... farm pond X other
DWR Permit #:
Will Cores Be Taken?: yes X no
If yes, proposed zone:
DWR Permit #:
Will Cores Be Taken?:
If yes, proposed zone:

Well Drilled For: Well Class: Type Equipment:
X Oil Inj X Infield X Mud Rotary
Gas Storage Pool Ext. Air Rotary
DWD Disposal Wildcat Cable
Seismic; # of Holes

If DWD: old well information as follows:

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

Directional, Deviated or Horizontal wellbore? yes X no
If yes, total depth location:

AFFIDAVIT

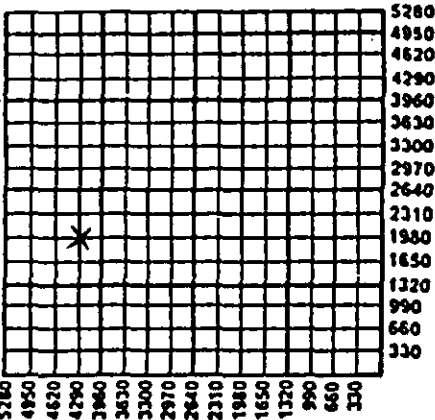
The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, et. seq.

It is agreed that the following minimum requirements will be met:

- 1. The appropriate district office shall be notified before setting surface pipe;
- 2. The minimum amount of surface pipe as specified above 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;
- 3. If the well is dry, a plugging proposal shall be submitted to the district office. An agreement between the operator and the district office on plug length and placement is necessary prior to plugging;
- 4. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
- 5. 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: 2/12/90 Signature of Operator or Agent: James B. Phillips Title: Agent



CONSERVATION DIVISION
Wichita, Kansas
FEB 12 1990

FOR KCC USE:
API # 15- 007-22,293-00-00
Conductor pipe required NONE feet
Minimum surface pipe required 200 feet per Alt 1 X
Approved by: JBL 2/15/90
EFFECTIVE DATE: 2/20/90
This authorization expires: 2/15/90
(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 prorated 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.