

EFFECTIVE DATE: 3/27/90

State of Kansas
NOTICE OF INTENTION TO DRILL

FORM MUST BE SIGNED
ALL BLANKS MUST BE FILLED

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

Expected Spud Date: March 20, 1990
month day year

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

CONTRACTOR: License # 5864
Name: HOBO DRILLING COMPANY

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

If OWD: old well information as follows:
Operator: _____
Well Name: _____
Comp. Date: _____ Old Total Depth _____

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

Aetna Gas Field; Mississippian; 160 unit; spot in one of 10A
(pursuant to well loc. exception agreement) AFFIDAVIT

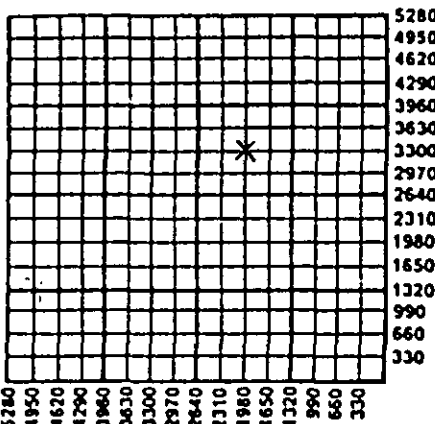
The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, et. seq.

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: 3/20/90 Signature of Operator or Agent: James B. Phillips Title: Agent



CONSERVATION DIVISION
Wichita, Kansas
MAR 20 1990
STATE OF KANSAS
OFFICE OF CONSERVATION

FOR KCC USE: 22301-00-00
API # 15- 007-23,301
Conductor pipe required NONE feet
Minimum surface pipe required 200 feet per Alt. 1
Approved by: [Signature] 3/23/90
EFFECTIVE DATE: 3/27/90
This authorization expires: 9/23/90
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: _____ Agent: _____

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REMEMBER TO:

- file Drill Pit Application (form COP-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.