Expected Spud Date: November 11, 1989

OPERATOR: License #: 04981
Name: Cholla Resources, Inc.
Address: 1641 California St., Suite #400 Denver, Colorado 80202
City/State/Zip: William Goff
Contact Person: (303) 673-4685
Phone:

CONTRACTOR: License #: 8241
Name: Emphasis Oil Operations

Well Drilled For: Oil ...
Inj ...
Storage ...
Disposal ...
Seismic ...

Well Class: Type Equipment: Infield ...
Hud Rotary ...
Air Rotary ...
Wildcat ...
Cable ...

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

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

STATE OF KANSAS
NOTICE OF INTENTION TO DRILL

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

Approx. C SE SE Sec 16, Tp 7, Rg 20. East
660 feet from South line of Section
660 feet from East line of Section

(Notes: Locate well on Section Plat Below)

County: Books
Lease Name: M. Sammonds
Well #: 1-16
Field Name: No.
Target Formation(s): Arbusible
Nearest lease or unit boundary: 560'
Ground Surface Elevation: 2979'
Domestic well within 330 feet: Yes
Municipal well within one mile: Yes
Depth to bottom of fresh water: 180
Depth to bottom of usable water: 180

Is this a Protected Field? Yes

Length of Surface Pipe Planned to be set: 200
Length of Conducting pipe required: No
Projected Total Depth: -
Formation at Total Depth: Arbusible
Water Source for Drilling Operations: No
DNR Permit #: No
Will Cores Be Taken? No
If yes, proposed zone:

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.

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: 11-6-89 Signature of Operator or Agent: Title: Agent

REMEMBER TO:
- File Drill Pit Application (Form CDP-1) with Intent to Drill;
- File Completion Form ACD-1 within 120 days of spud date;
- File acreage attribution plan 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 of or injecting salt water.