

FOR KCC USE:

FORM C-1 7/91

FORM MUST BE TYPED

EFFECTIVE DATE: 1-31-96

State of Kansas

FORM MUST BE SIGNED

DISTRICT # 1
SGA? Yes No

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 2 - 12 - 1996
month day year

Spot SE SW SW Sec 17 Twp 7S S, Rg 22 X West

OPERATOR: License # 5123
Name: Pickrell Drilling Company, Inc.
Address: 110 N. Market, Suite 205
City/State/Zip: Wichita, Kansas 67202
Contact Person: Kent Crisler
Phone: 316-262-8427

330' feet from South line of Section
4290' feet from East line of Section
IS SECTION X REGULAR IRREGULAR?

CONTRACTOR: License #: 5123
Name: Company Tools

(NOTE: Locate well on the Section Plat on Reverse Side)
County: Graham
Lease Name: Fountain "G" Well #: 1
Field Name: Wildcat

Well Drilled For: Well Class: Type Equipment:

X Oil ... Enh Rec ... Infield X Mud Rotary
... Gas ... Storage ... Pool Ext. ... Air Rotary
... OWMO ... Disposal X Wildcat ... Cable
... Seismic; ... # of Holes ... Other

Is this a Prorated/Spaced Field? X yes ... no
Target Formation(s): Lansing Arbuckle
Nearest lease or unit boundary: 330'

If OWMO: old well information as follows:

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

Ground Surface Elevation: 2340' est. feet MSL
Water well within one-quarter mile: ... yes X no
Public water supply well within one mile: ... yes X no

Directional, Deviated or Horizontal wellbore? ... yes X no

If yes, true vertical depth:
Bottom Hole Location:

Depth to bottom of fresh water: 150'
Depth to bottom of usable water: 1140'
Surface Pipe by Alternate: ... 1 X 2

Length of Surface Pipe Planned to be set: 230'
Length of Conductor pipe required: N/A
Projected Total Depth: 3900'

Formation at Total Depth: Arbuckle
Water Source for Drilling Operations:
... well ... farm pond X ... other

DWR Permit #:
Will Cores Be Taken?: ... yes X no

If yes, proposed zone:

AFFIDAVIT

RECEIVED
KANSAS CORPORATION COMMISSION

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:

JAN 25 1996
JAN 25, 1996

CONSERVATION DIVISION
WICHITA, KS

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: January 25, 1996 Signature of Operator or Agent: Kent Crisler Title: Geologist

FOR KCC USE:
 API # 15- 065-227650000
 Conductor pipe required NONE feet
 Minimum surface pipe required 200' feet per Alt. X(2)
 Approved by: JK 1-26-96

This authorization expires: 7-26-96
 (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 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.

17
7
2200

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 Pickrell Drilling Co. Inc.
 LEASE Fountain "G"
 WELL NUMBER 1
 FIELD Wildcat

LOCATION OF WELL: COUNTY Graham
330' feet from south/north line of section
4290' feet from east/west line of section
 SECTION 17 TWP 7S RG 22W

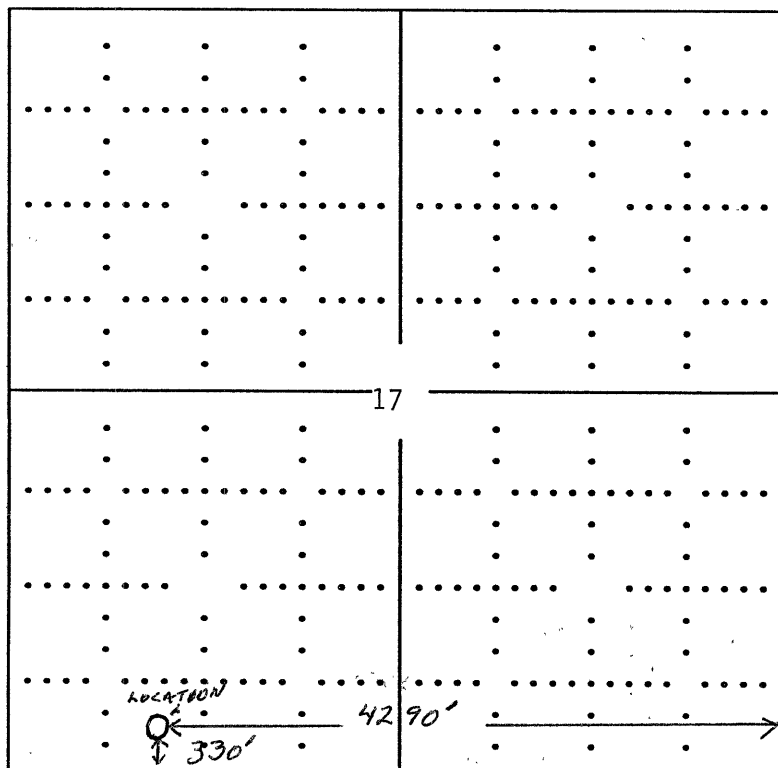
NUMBER OF ACRES ATTRIBUTABLE TO WELL 40
 QTR/QTR/QTR OF ACREAGE SE - SW - SW

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

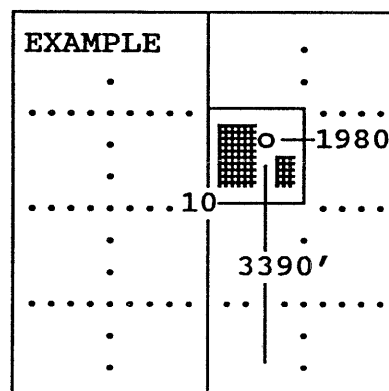
Section corner used: _____ NE _____ NW _____ SE X SW

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.)



ONE SECTION



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