

EFFECTIVE DATE: 5-19-96

NOTICE OF INTENTION TO DRILL

DISTRICT # 4

NOTICE OF INTENTION TO DRILL

ALL BLANKS MUST BE FILLED

SSA? Yes. X No

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

Expected Spud Date 5 month 20 day 1996 of 8 11 32 East West

OPERATOR: License # 6484
Name: ANDERSON ENERGY, INC.
Address: 200 E. First, Ste. #414
City/State/Zip: Wichita, KS 67202
Contact Person: William L. Anderson
Phone: (316) 265-7929

CONTRACTOR: License #: 5420
Name: White & Ellis

Well Drilled For: Well Class: Type Equipment:

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

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:

IS SECTION XX REGULAR IRREGULAR?

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

County: Thomas

Lease Name: Ryan, B Well #: 1

Field Name: Bastin

Is this a Prorated/Spaced Field? yes XX no

Target Formation(s): LKC & Cherokee

Nearest lease or unit boundary: 330

Ground Surface Elevation: 3076 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: 220 250

* Depth to bottom of usable water: 240 1870

Surface Pipe by Alternate: XX 1 X 2

Length of Surface Pipe Planned to be set: 320

Length of Conductor pipe required: N/A

Projected Total Depth: 4700

Formation at Total Depth: Mississippi

Water Source for Drilling Operations:

... well ... farm pond XX other

DWR Permit #:

Will Cores Be Taken? yes XX no

If yes, proposed zone:

* ALT 1 WOULD REQUIRE 1870' OF SURFACE CASING.

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: 5-9-96 Signature of Operator or Agent: William L. Anderson Title: Vice President

FOR KCC USE:
API # 15- 193-206510000
Conductor pipe required NONE feet
Minimum surface pipe required 300 feet per Alt. X(2)
Approved by: JK 5-14-96
This authorization expires: 11-14-96
(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.

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KANSAS CORP COMM
1996 MAY 13 A 12:45
5-13-96
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1996 MAY 13 A 12:45

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 _____
 LEASE _____
 WELL NUMBER _____
 FIELD _____

LOCATION OF WELL: COUNTY _____
 _____ feet from south/north line of section
 _____ feet from east/west line of section
 SECTION _____ TWP _____ RG _____

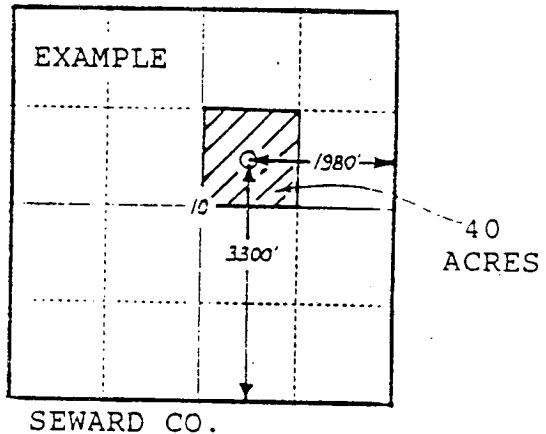
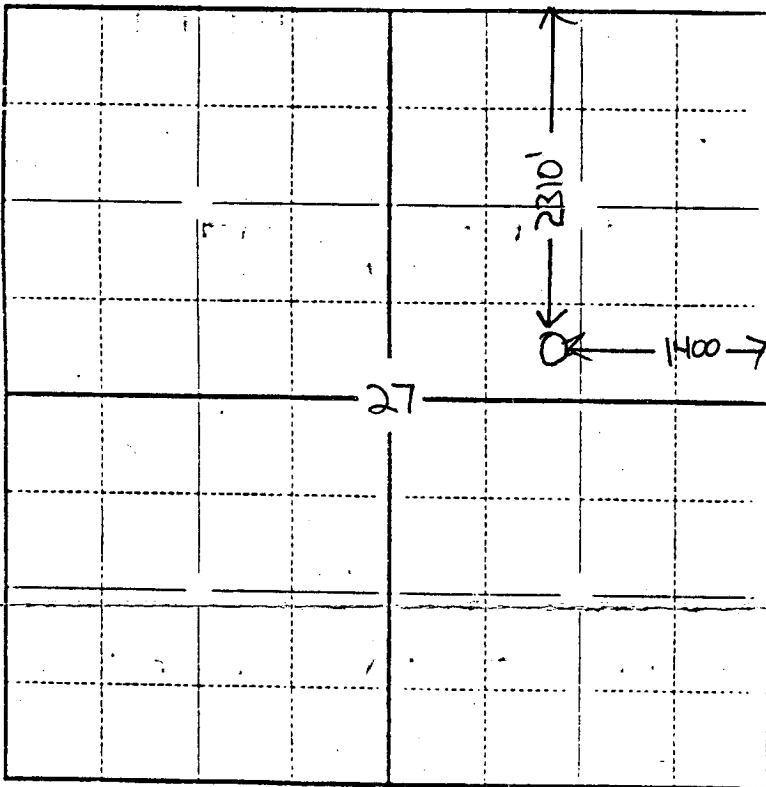
NUMBER OF ACRES ATTRIBUTABLE TO WELL _____
 QTR/QTR/QTR OF ACREAGE _____

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

Section corner used: _____ NE _____ NW _____ SE _____ 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.)



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 lines; and
- 3) the distance to the nearest lease or unit boundary line.