

NOTICE OF INTENTION TO DRILL

(see rules on reverse side)

Starting Date August 23, 1986 month day year

API Number 15-163-22,887 0000

OPERATOR: License # 5215

SW SW SE 31 8 19 East Sec. Twp. S, Rg. X West

Name Lee Phillips Oil Company

Address 125 N. Market Suite 1532

City/State/Zip Wichita, Kansas 67202

Contact Person Lee E. Phillips III

Phone (316)264-6392

330 Ft. from South Line of Section 2310 Ft. from East Line of Section

(Note: Locate well on Section Plat on reverse side)

CONTRACTOR: License # 4958

Name J.V. Mallard Drilling Inc

City/State McPherson, Kansas

Nearest lease or unit boundary line 330 feet

County Rooks

Lease Name McClellan Well # 1

Ground surface elevation N/A feet MSL

Domestic well within 330 feet: yes X no

Municipal well within one mile: yes X no

Depth to bottom of fresh water 150

Depth to bottom of usable water 800

Surface pipe by Alternate: 1 2 X

Surface pipe planned to be set 250

Conductor pipe required -0-

Projected Total Depth 3550 feet

Formation Arbuckle

Well Drilled For: Well Class: Type Equipment:

X Oil SWD Infield X Mud Rotary

Gas Inj Pool Ext Air Rotary

OWWO Expl Wildcat Cable

If OWWO: old well info as follows:

Operator

Well Name

Comp Date Old Total Depth

I certify that well will comply with K.S.A. 55-101, et seq., plus eventually plugging hole to KCC specifications.

Date 8-19-86 Signature of Operator or Agent Lee Phillips III Title Owner

For KCC Use:

Conductor Pipe Required feet; Minimum Surface Pipe Required 250 feet per Alt. 2

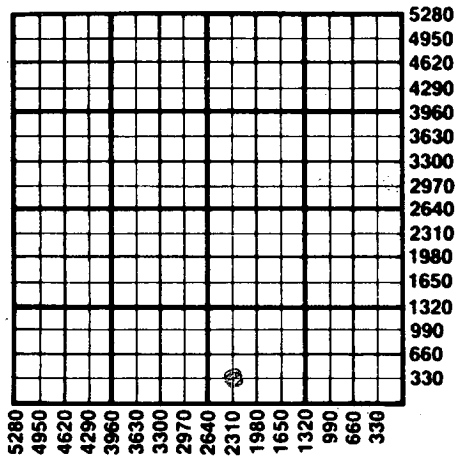
This Authorization Expires 8-20-87 Approved By 8-20-86

Must be filed with the K.C.C. five (5) days prior to commencing well
This card void if drilling not started within six (6) months of date received by K.C.C.

Important procedures to follow:

1. Notify District office before setting surface casing.
2. Set surface casing by circulating cement to the top.
3. File completion forms ACO-1 with K.C.C. within 90 days of well completion, following instructions on ACO-1, side 1, and including copies of wireline logs.
4. Notify District office 48 hours prior to old well workover or re-entry.
5. Prior to filing Intent, prepare a proposed plugging plan in case well is D & A, then obtain approval of plan when calling district office prior to setting surface pipe.
6. Submit plugging report (CP-4) to K.C.C. after plugging is completed.
7. Obtain an approved injection docket number before disposing of salt water.
8. Notify K.C.C. within 10 days when injection commences or terminates.

A Regular Section of Land 1 Mile = 5,280 Ft.



RECEIVED If an alternate 2 completion, cement in the production pipe from below any usable water to surface within 120 days of spud date.
STATE CORPORATION COMMISSION

AUG 19 1986 8/19/86
CONSERVATION DIVISION
Wichita, Kansas
State Corporation Commission of Kansas
Conservation Division
200 Colorado Derby Building
Wichita, Kansas 67202
(316) 263-3238