

FOR KCC USE:

EFFECTIVE DATE: 9/17/94

DISTRICT # 4

SEAL Yes No

State of Kansas

NOTICE OF INTENTION TO DRILL

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

FORM C-1 7/91

FORM MUST BE TYPED

FORM MUST BE SIGNED

ALL BLANKS MUST BE FILLED

Expected Spud Date September 19 1994 month day year

Spot SE NW NE S 8 24 X East West

OPERATOR: License # 5399 American Energies Corporation 155 North Market, Suite 710 Wichita, Kansas 67202 Alan L. DeGood 316-263-5785

990 feet from South North line of Section 990 feet from East West line of Section IS SECTION X REGULAR IRREGULAR (NOTE: Locate well on the Section Plat on Reverse Side)

CONTRACTOR: License #: 4958 Name: Mallard JV, Inc.

County: Graham Lease Name: Teel Well #: 1 Field Name: Dripping Springs Southeast Is this a Prorated/Spaced Field? yes X no Target Formation(s): Lansing/Kansas City Nearest lease or unit boundary: 990 Ground Surface Elevation: 2420 APPX. TO PS. Feet MSL Water well within one-quarter mile: yes X no Public water supply well within one mile: yes X no Depth to bottom of fresh water: 200 Depth to bottom of usable water: 800-1260 Surface Pipe by Alternate: 1 X 2 Length of Surface Pipe Planned to be set: (294') 220' Length of Conductor pipe required: None Projected Total Depth: 3910 Formation at Total Depth: Kansas City Water Source for Drilling Operations: well farm pond X other

Well Drilled For: Well Class: Type Equipment: X Oil Enh Rec Infield X Mud Rotary Gas Storage X Pool Ext. Air Rotary CWVO Disposal Wildcat Cable Seismic: # of Holes Other

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

Directional, Deviated or Horizontal wellbore? yes no If yes, true vertical depth: Bottom Hole Location:

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: 9-8-94 Signature of Operator or Agent: Alan L. DeGood Title: Vice-President

FOR KCC USE: API # 15- 065-22746-00-00 Conductor pipe required NONE feet Minimum surface pipe required 220' feet per Alt. X @ Approved by: CB 9-12-94 This authorization expires: 3-12-95 (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.

RECEIVED STATE CORPORATION COMMISSION 9-9-1994 SEP 09 1994

Handwritten notes: need CDP 9/12/94 B 24

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 American Energies Corporation

LEASE \_\_\_\_\_

WELL NUMBER Teel #1

FIELD Dripping Springs Southeast

LOCATION OF WELL: COUNTY Graham

990 feet from south/north line of section

990 feet from east/west line of section

SECTION 5 TWP 8 RG 24 West

NUMBER OF ACRES ATTRIBUTABLE TO WELL \_\_\_\_\_

QTR/QTR/QTR OF ACREAGE SE - NW - NW

IS SECTION X REGULAR or \_\_\_\_\_ IRREGULAR

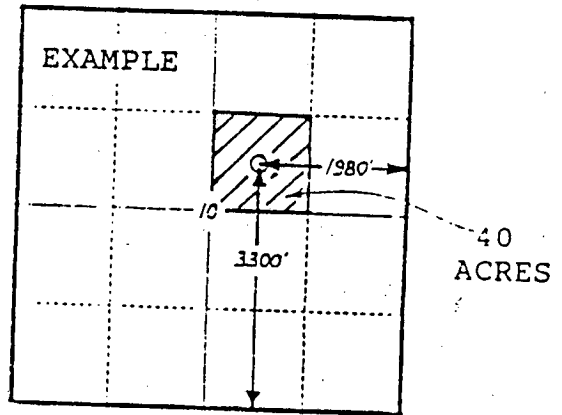
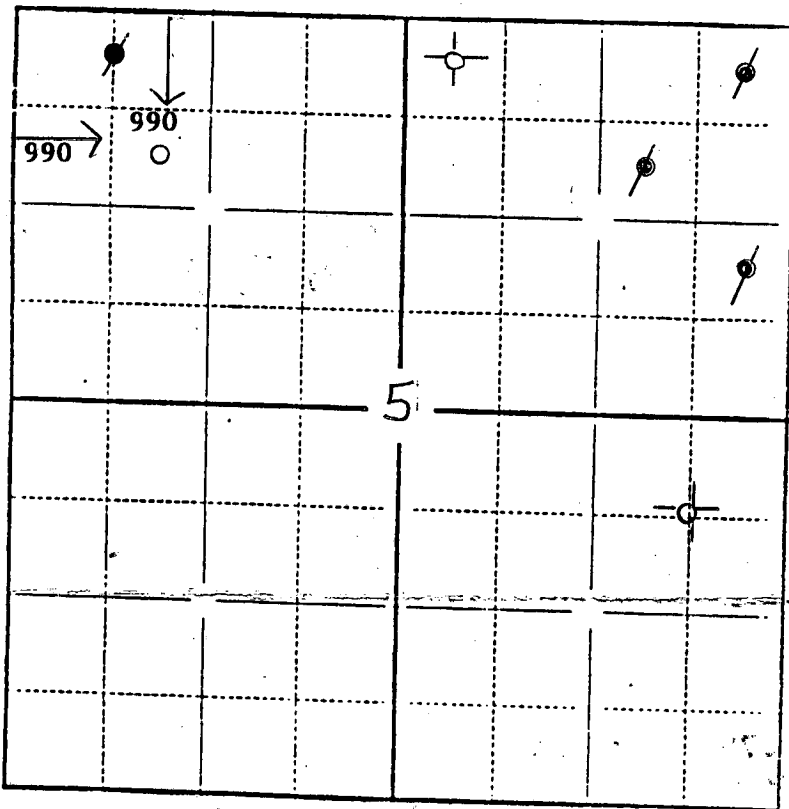
IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST CORNER BOUNDARY.

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.)



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