

15-163-23300-0000

FOR KCC USE:

FORM C-1 7/91

FORM MUST BE TYPED

FORM MUST BE SIGNED

ALL BLANKS MUST BE FILLED

EFFECTIVE DATE: 6-3-97

State of Kansas

DISTRICT # 4

NOTICE OF INTENTION TO DRILL

SGA? Yes. No

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

Expected Spud Date June 2 1997 month day year

Spot SW-NE-SR. Sec 30. Twp 10 S, Rg 18 East West

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

1650 feet from South North line of Section 990 feet from East West line of Section IS SECTION X REGULAR IRREGULAR?

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

(NOTE: Locate well on the Section Plat on Reverse Side) County: Rooks Lease Name: Dauwe Ordway West Well #: "R" #3 Field Name: Ordway West

Well Drilled For: Well Class: Type Equipment:

- Oil, Gas, OWO, Seismic, Enh Rec, Storage, Disposal, # of Holes, Infield, Pool Ext, Wildcat, Other, Mud Rotary, Air Rotary, Cable

Is this a Prorated/Spaced Field? yes no Target Formation(s): Lansing, Kansas, City Nearest lease or unit boundary: 990 Ground Surface Elevation: 2050 feet MSL

Water well within one-quarter mile: yes no Public water supply well within one mile: yes no

Depth to bottom of fresh water: 60-180 Depth to bottom of usable water: 900 Dakota

Surface Pipe by Alternate: 1 X 2 Length of Surface Pipe Planned to be set: None 200 MIN.

Length of Conductor pipe required: 3650 NONE Projected Total Depth: Arbuckle 3650

Formation at Total Depth: ARBUCKLE Water Source for Drilling Operations: X

... well ... farm pond ... other

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

Will Cores Be Taken?: yes no If yes, proposed zone:

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: 5-28-97 Signature of Operator or Agent: Alan L. DeGood Title: President

FOR KCC USE: API # 15- 163-23300 0000 Conductor pipe required NONE feet Minimum surface pipe required 200 feet per Alt. X(2) Approved by: JK 5-29-97 This authorization expires: 11-29-97 (This authorization void if drilling not started within 6 months of effective date.) Spud date: Agent:

5-29-97

30 10 1805

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: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202.

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 Dauwe "B"
 WELL NUMBER "B" #3
 FIELD Ordway West

LOCATION OF WELL: COUNTY Rooks
1650 feet from south/north line of section
990 feet from east/west line of section
 SECTION 30 TWP 10S RG 18W

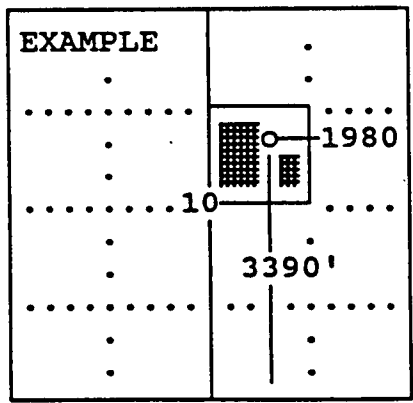
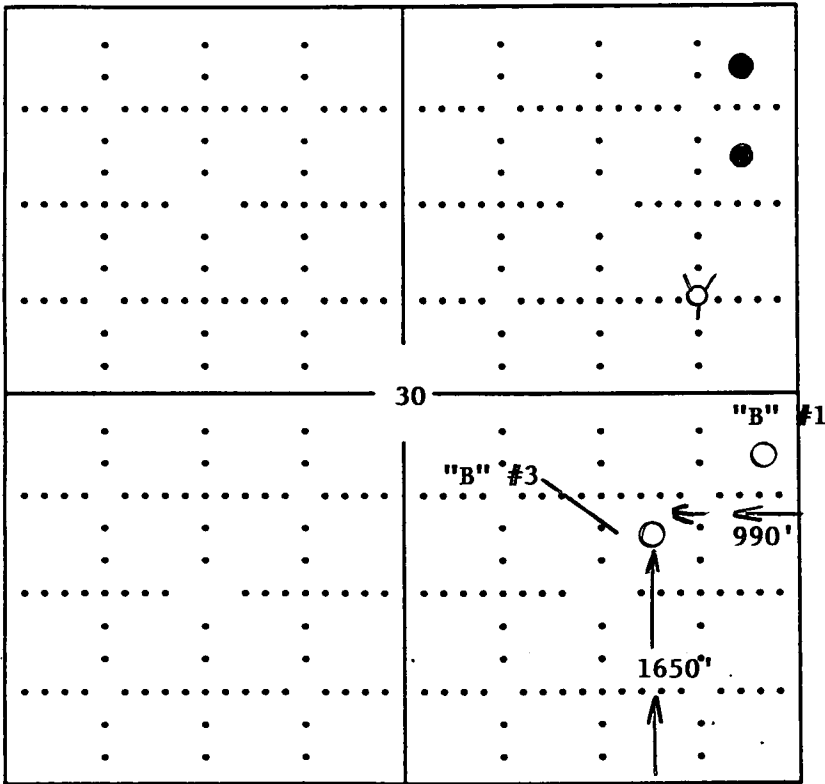
NUMBER OF ACRES ATTRIBUTABLE TO WELL 10
 QTR/QTR/QTR OF ACREAGE SW - NE - SE

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