

EFFECTIVE DATE: 8-29-90

State of Kansas

15-125-29339-0000

NOTICE OF INTENTION TO DRILL

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

Expected Spud Date 8/30/90
month day year

APR SW NW SE 27 33 14 X East
Sec Twp S, Rg West

OPERATOR: License # 5675
Name: McPherson Drilling Co.
Address: Rt. 1 Box 221
City/State/Zip: Cherryvale, KS 67335
Contact Person: Ron McPherson
Phone: 316-336-2662

.....1485..... feet from South line of Section
.....2475..... feet from East line of Section
(Note: Locate well on Section Plat on Reverse Side)

CONTRACTOR: License #: Same as Above
Name:

County: Montgomery
Lease Name: Gullick Well #: M-1
Field Name: Wayside
Is this a Prorated Field? yes X no
Target Formation(s): Wayside
Nearest lease or unit boundary: 1485
Ground Surface Elevation: NA feet MSL
Domestic well within 330 feet: yes X no
Municipal well within one mile: yes X no
Depth to bottom of fresh water: ? 80
Depth to bottom of usable water: ? 150
Surface Pipe by Alternate: 1 X 2
Length of Surface Pipe Planned to be set: 20 ft.
Length of Conductor pipe required: NA
Projected Total Depth: 250 ft.
Formation at Total Depth: Wayside
Water Source for Drilling Operations:
... well farm pond X other air

Well Drilled For: Well Class: Type Equipment:
X Oil ... Inj X Infield ... Mud Rotary
... Gas ... Storage ... Pool Ext. X Air Rotary
... OWWO ... Disposal ... Wildcat ... Cable
... Seismic; ... # of Holes

If OWWO: old well information as follows:

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

Directional, Deviated or Horizontal wellbore? yes X no

If yes, total depth location:

DWR Permit #:
Will Cores Be Taken?: yes X no
If yes, proposed zone:

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. The appropriate district office shall be notified before setting surface pipe;
2. The minimum amount of surface pipe as specified above 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;
3. If the well is dry, a plugging proposal shall be submitted to the district office. An agreement between the operator and the district office on plug length and placement is necessary prior to plugging;
4. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
5. 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: 8/23/90 Signature of Operator or Agent: Hancy McPherson Title: As agent

FOR KCC USE:

API # 15- 125-29339
Conductor pipe required None feet
Minimum surface pipe required 20 feet per Alt. (2)
Approved by: MDW 8-24-90
EFFECTIVE DATE: 8-29-90
This authorization expires: 2-24-91
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: _____ Agent: _____

RECEIVED
STATE CORPORATION COMMISSION

AUG 24 1990
08-24-90
CONSERVATION DIVISION
Wichita, Kansas

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.

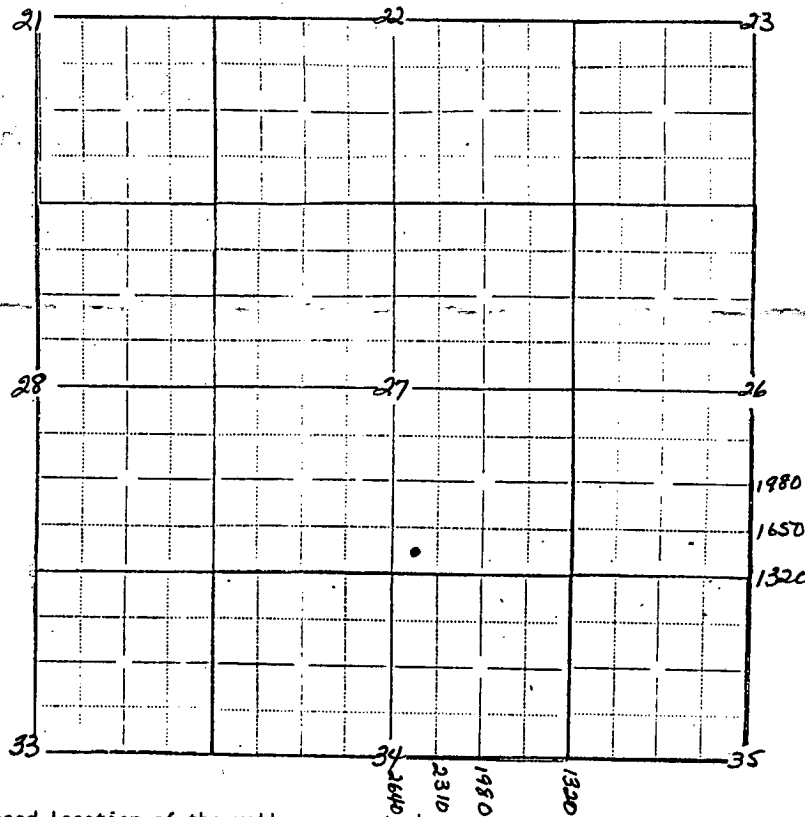
PLAT OF ACREAGE ATTRIBUTABLE TO A WELL

State Corporation Commission, Conservation Division,
200 Colorado Derby Bldg. Wichita, Kansas 67202

TO
DATE TO
OPERATOR McPherson Drilling Co. LOCATION OF WELL: 1485 feet north of SE corner
LEASE Gullick 2475 feet west of SE corner
WELL NUMBER M-1 Sec. 27 T 33 R 14 E XX
FIELD Wayside COUNTY Montgomery
NO. OF ACRES ATTRIBUTABLE TO WELL 5 IS SECTION x REGULAR IRREGULAR?
DESCRIPTION OF ACREAGE SW NW SE IF IRREGULAR, LOCATE WELL FROM NEAREST
CORNER BOUNDARY.

NOTE: If plat depicted is insufficient for your circumstances, you may attach
your own scaled or surveyed plat.

PLAT



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 partial sections, 4 sections, 16 sections, etc.;
- 2) the well's location relative to the location of other wells producing from the same common source of supply in adjoining drilling units, pursuant to K.A.R. 82-3-108, 82-3-207, 82-3-312, or special orders of the Commission;
- 3) the distance of the proposed drilling location from the section's east and south lines; and
- 4) the distance to the nearest lease or unit boundary line.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Signature of Operator or Agent Phancy McPherson

Date 8/23/90 Title As agent