

EFFECTIVE DATE: 7-2-98

State of Kansas

DISTRICT # 1

NOTICE OF INTENTION TO DRILL

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

SGA? Yes X No

Expected Spud Date 01 30 98
month day year

Spot SW NE Sec 12 Twp 18 S, Rg 32 East X West

OPERATOR: License # 5422
Name: Abercrombie Drilling, Inc.
Address: 150 N. Main, Suite #801
City/State/Zip: Wichita, KS 67202
Contact Person: Jerry Langrehr
Phone: (316)-262-1841

1980 feet from South / (North) line of Section
1980 feet from (East) / West line of Section
IS SECTION X REGULAR _____ IRREGULAR?
(NOTE: Locate well on the Section Plat on Reverse Side)

CONTRACTOR: License #: 30684
Name: Abercrombie RTQ, Inc.

County: Scott
Lease Name: Schwalter Well #: 1-12
Field Name: WC

Well Drilled For: Well Class: Type Equipment:
X Oil ... Enh Rec ... Infield X Mud Rotary
... Gas ... Storage ... Pool Ext. ... Air Rotary
... OWMO ... Disposal X Wildcat ... Cable
... Seismic; ... # of Holes ... Other
If OWMO: old well information as follows:

Is this a Prorated/Spaced Field? ... yes X no
Target Formation(s): LKC, Marmaton
Nearest lease or unit boundary: 660
Ground Surface Elevation: 2970 est 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: 180
Depth to bottom of usable water: 1100 1600
Surface Pipe by Alternate: ... 1 X 2
Length of Surface Pipe Planned to be set: 260'
Length of Conductor pipe required: N/A
Projected Total Depth: 4700
Formation at Total Depth: Mississippi
Water Source for Drilling Operations:
... well ... farm pond X other

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

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

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. 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: 01-26-98 Signature of Operator or Agent: [Signature] Title: President

FOR KCC USE:
API # 15- 171-205270000
Conductor pipe required NONE feet
Minimum surface pipe required 200 feet per Alt. X(2)
Approved by: [Signature]
This authorization expires: 7-28-98
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: _____ Agent: _____

RECEIVED
KANSAS CORPORATION COMMISSION
JAN 28 1998
1-28-98
CONSERVATION DIVISION
WICHITA, KS

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.

12
18
3217

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 Abercrombie Drilling, Inc.
 LEASE Schwalter
 WELL NUMBER 1-12
 FIELD WC

LOCATION OF WELL: COUNTY Scott
1980 feet from south/north line of section
1980 feet from east/west line of section
 SECTION 12 TWP 18S RG 32W

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

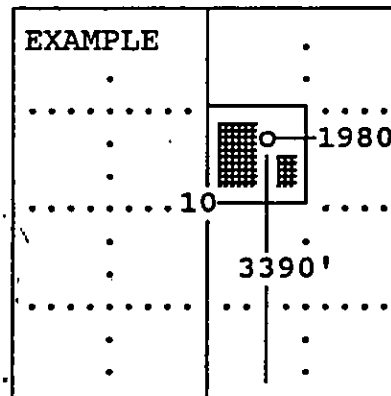
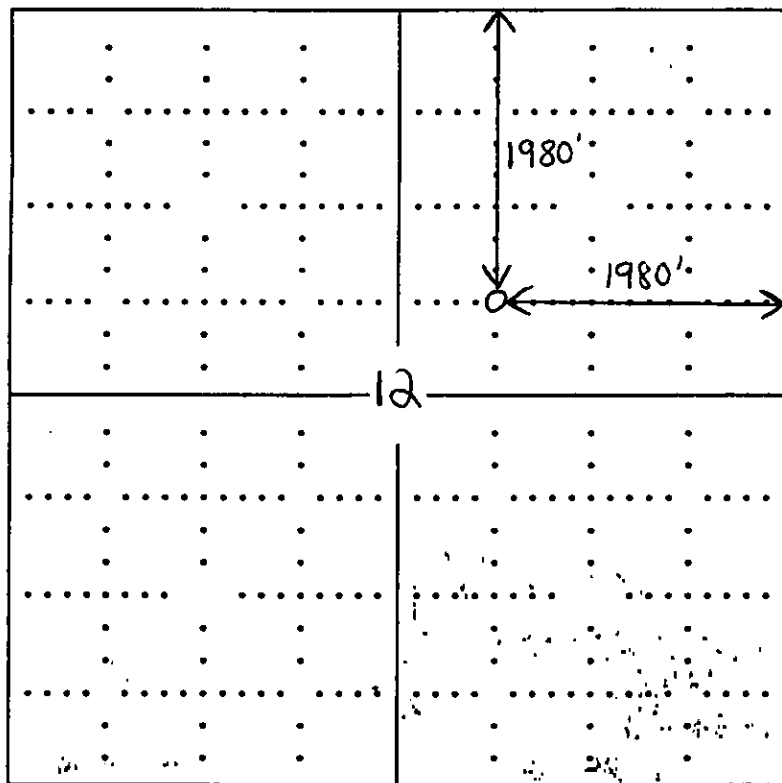
IS SECTION X REGULAR OR _____ IRREGULAR
IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST CORNER BOUNDARY.

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.

8P. 72-1

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.