

EFFECTIVE DATE: 5-22-96

State of Kansas

DISTRICT # V

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 May 25 1996
month day year

Spot SE - SE - NE Sec 17 Twp 17 S, Rg 23 X East West

OPERATOR: License # 5215
Name: Lee Phillips Oil Company
Address: 151 Whittier - #1400
City/State/Zip: Wichita, KS 67207-1045
Contact Person: Lee E. Phillips III
Phone: 316 681-4470

330 2970... feet from South North line of Section
330... 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: NESS
Lease Name: Albers Well #: 1
Field Name: Orpliger
Is this a Prorated/Spaced Field? ... yes X no
Target Formation(s): Mississippian
Nearest lease or unit boundary: 330
Ground Surface Elevation: unknown 7455 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: 280
Depth to bottom of usable water: 160
Surface Pipe by Alternate: ... 1 X 2
Length of Surface Pipe Planned to be set: 300 ft.
Length of Conductor pipe required: None
Projected Total Depth: 4600
Formation at Total Depth: Mississippian
Water Source for Drilling Operations:
... well ... farm pond X other

Well Drilled For: Well Class: Type Equipment:
X Oil ... Enh Rec X Infield X Mud Rotary
... Gas ... Storage ... Pool Ext. ... Air Rotary
... OWWO ... Disposal ... Wildcat ... Cable
... Seismic; ... # of Holes ... Other
... Other
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, true vertical depth: _____
Bottom Hole Location: _____

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

AFFIDAVIT

RECEIVED

KANSAS CORPORATION COMMISSION

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:

MAY 17 1996
S-17-96

- 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: May 16, 1996 Signature of Operator or Agent: Lee E. Phillips III Title: Owner

FOR KCC USE:
API # 15- 135-239360000
Conductor pipe required NONE feet
Minimum surface pipe required 300 feet per Alt. X (2)
Approved by: JK 5-17-96
This authorization expires: 11-17-96
(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.

17
17
23W

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.

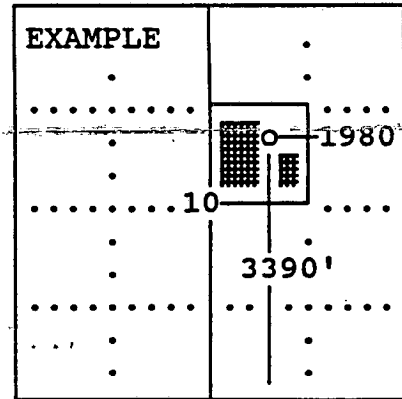
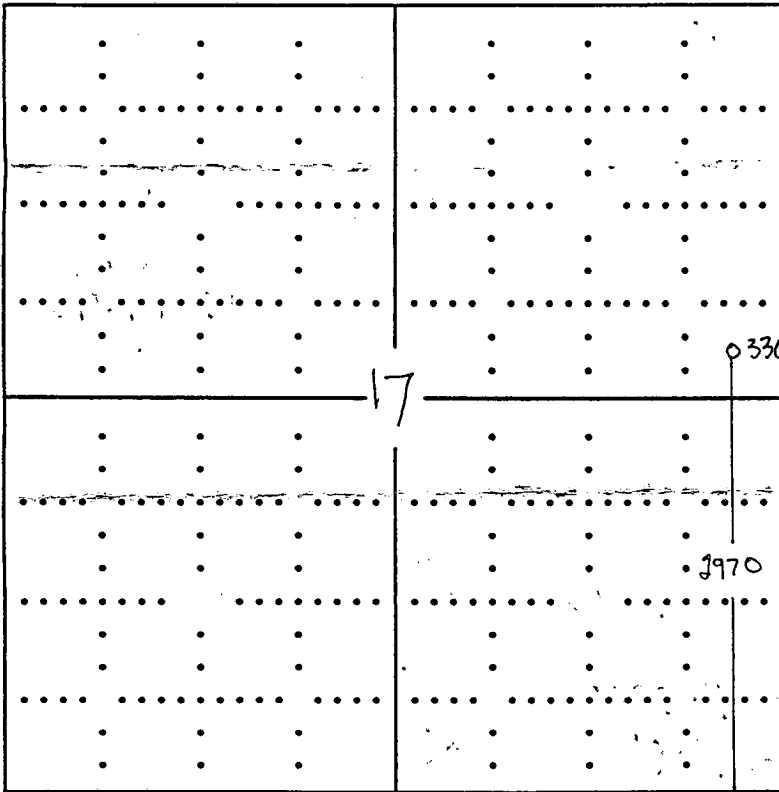
API NO. 15- _____
 OPERATOR Lee Phillips Oil Company LOCATION OF WELL: COUNTY Ness
 LEASE Albers _____ 2970 feet from south/north line of section
 WELL NUMBER 1 _____ 330 feet from east/west line of section
 FIELD Oppliger _____ SECTION 17 TWP 17 RG 23W

NUMBER OF ACRES ATTRIBUTABLE TO WELL 40 IS SECTION X REGULAR OR _____ IRREGULAR
 QTR/QTR/QTR OF ACREAGE _____ 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.