

EFFECTIVE DATE: 3-17-91

State of Kansas

NOTICE OF INTENTION TO DRILL

FORM MUST BE SIGNED
ALL BLANKS MUST BE FILLED

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

Expected Spud Date March 15 1991
month day year

SW SE SE Sec 33 Twp 18 S, Rg 31 X East West

OPERATOR: License # 30665
Name: Petro-Energy Exploration, INC.
Address: Rt. 4, Box 15-A
City/State/Zip: Enid, Oklahoma 73701
Contact Person: Bob Gaddis
Phone: 405/233-9551

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

CONTRACTOR: License #: 30606
Name: Murfin Drilling Co.

County: Scott
Lease Name: Blume Well #: 1-33
Field Name: Unnamed

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

Is this a Prorated Field? yes X no
Target Formation(s): Kansas City, Marmaton, Miss, Arbuckle
Nearest lease or unit boundary: 330'
Ground Surface Elevation: 2942 feet MSL
Domestic well within 330 feet: yes X no
Municipal well within one mile: yes X no
Depth to bottom of fresh water: 200
Depth to bottom of usable water: 1-625' 1210'
Surface Pipe by Alternate: X 1 2
Length of Surface Pipe Planned to be set: 1,650'
Length of Conductor pipe required: 0
Projected Total Depth: 5,200'
Formation at Total Depth: Arbuckle
Water Source for Drilling Operations:
... well farm pond X other
DWR Permit #:
Will Cores Be Taken?: yes X no
If yes, proposed zone:

If OWMO: 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:

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: March 1, 1991 Signature of Operator or Agent: [Signature] Title: Vice President/Exploration

FOR KCC USE:
API # 15- 171-20426-0000
Conductor pipe required None feet
Minimum surface pipe required 1230 feet per Alt. OX
Approved by: DA 3-12-91
EFFECTIVE DATE: 3-17-91
This authorization expires: 7-12-91
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: _____ Agent: _____

STATE OF KANSAS
CONSERVATION DIVISION
MARCH 11 1991
33 18 314

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.

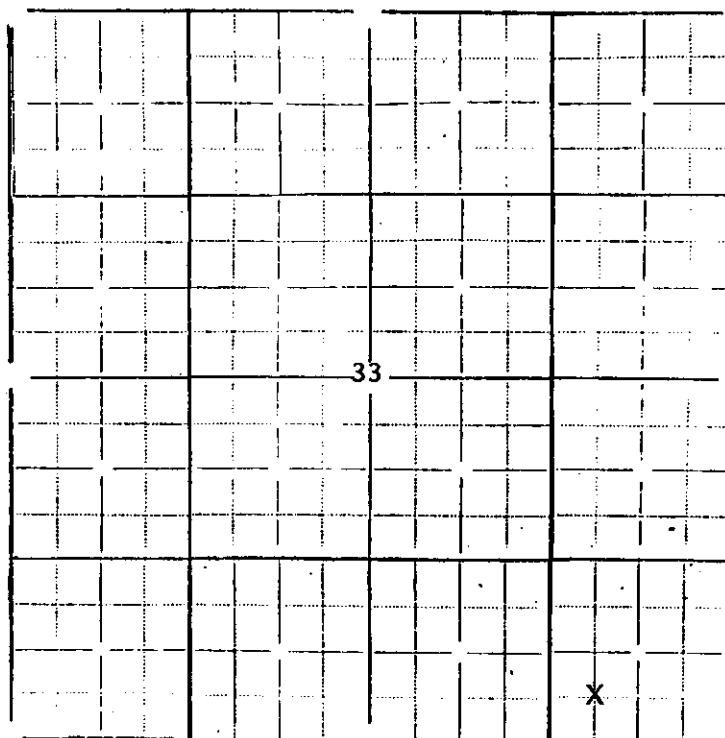
PLAT OF ACREAGE ATTRIBUTABLE TO A WELL

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

OPERATOR Petro-Energy Exploration, Inc. LOCATION OF WELL:
 LEASE Blume 330 feet north of SE corner
 WELL NUMBER 1-33 990 feet west of SE corner
 FIELD Unnamed SW SE SE Sec. 33 T 18S R 31 E/W
 COUNTY Scott
 NO. OF ACRES ATTRIBUTABLE TO WELL 10 IS SECTION X REGULAR IRREGULAR?
 DESCRIPTION OF ACREAGE SW SE 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 [Signature]

Date March 1, 1991 title Vice President/Exploration