

FOR KCC USE:

FORM C-1 7/91

FORM MUST BE TYPED

FORM MUST BE SIGNED

ALL BLANKS MUST BE FILLED

EFFECTIVE DATE: 10-4-97

State of Kansas

DISTRICT # 3

NOTICE OF INTENTION TO DRILL

SCA? Yes No

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

Expected Spud Date September 10, 1997
month day year

Spot 114'N & 98'E of
G-W/2 SE SE Sec 15 Twp 31S Rg 9W East West

OPERATOR: License # 31088
Name: COLT RESOURCES CORPORATION
Address: 16701 Greenspoint Park Dr. - Suite 225
City/State/Zip: Houston, Texas 77060
Contact Person: Ed Childers
Phone: 281/876-1209

774 feet from South ~~XXXXX~~ line of Section
894 feet from East / ~~XXXX~~ line of Section
IS SECTION REGULAR IRREGULAR?

CONTRACTOR: License #: 5929
Name: DUKE DRILLING CO., INC.

(NOTE: Locate well on the Section Plat on Reverse Side)
County: HARRIS
Lease Name: KENNEDY Well #: 3
Field Name: Spivey-Grabs

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

Is this a Prorated/Spaced Field? yes no
Target Formation(s): Miss.
Nearest lease or unit boundary: 774'
Ground Surface Elevation: 1632' feet MSL

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

Water well within one-quarter mile: yes no
Public water supply well within one mile: yes no
Depth to bottom of fresh water: 80'
Depth to bottom of usable water: 120'
Surface Pipe by Alternate: 1 2
Length of Surface Pipe Planned to be set: 200'
Length of Conductor pipe required: N/A
Projected Total Depth: 4500'
Formation at Total Depth: Mississippi
Water Source for Drilling Operations:
 well farm pond other

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

Will Cores Be Taken? yes 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. 17-1001, et. seq.

RECEIVED

KANSAS CORPORATION COMMISSION

It is agreed that the following minimum requirements will be met:

AUG 27 1997

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 plugging 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: August 26, 1997 Signature of Operator or Agent: [Signature] Title: _____ Agent: _____

FOR KCC USE:
 API # 15- 077-213380000
 Conductor pipe requires NONE feet
 Minimum surface pipe required 200 feet per Alt. X
 Approved by: JK 9-29-97
 This authorization expires: 3-29-98
 (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 prorator 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 2073, Wichita, Kansas 67202.

15
31
90

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 COLT RESOURCES CORPORATION
 LEASE KENNEDY
 WELL NUMBER 3
 FIELD Spivey-Grabs

LOCATION OF WELL: COUNTY Harper
774 feet from south/~~north~~ line of section
894 feet from east/~~west~~ line of section
 SECTION 15 TWP 31S RG 9W

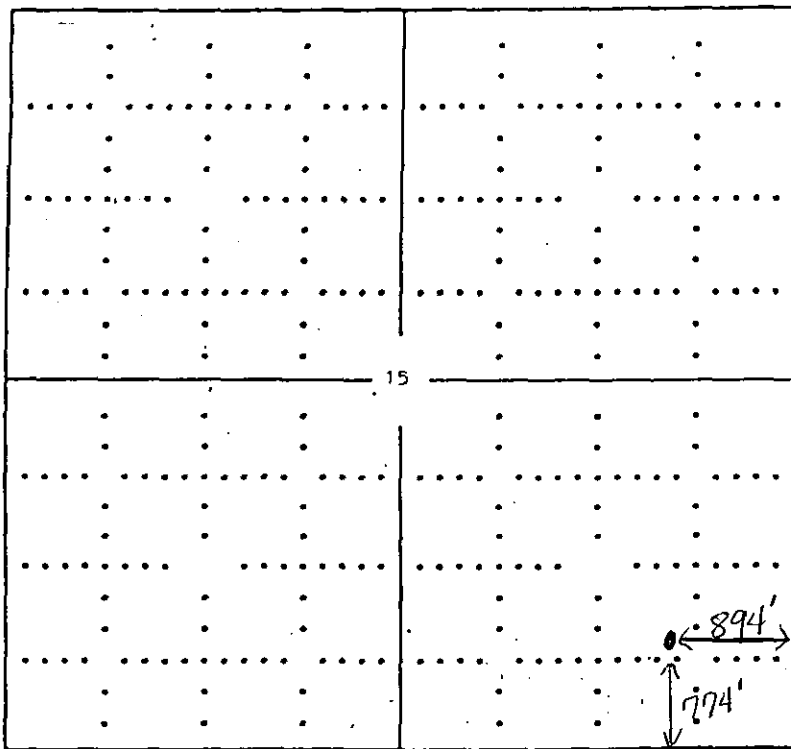
NUMBER OF ACRES ATTRIBUTABLE TO WELL 40
 STR/OTR/OTR OF ACREAGE _____ SE _____ SE

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

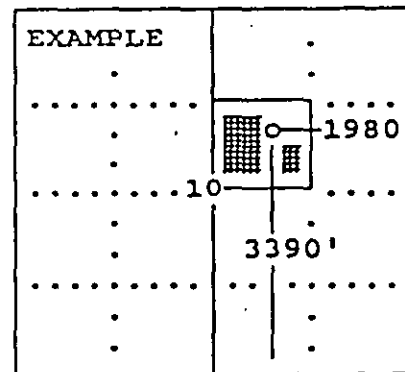
Section corner used: _____ NE _____ NW _____ SE _____ SW

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.)



HARPER COUNTY



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.