

EFFECTIVE DATE: 8-25-99

DISTRICT # 2

SGAZ  Yes  No

State of Kansas  
NOTICE OF INTENTION TO DRILL

FORM MUST BE TYPED  
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 08.....17.....99.....  
month day year

Spot \_\_\_\_\_ East  
Nw - Nw - Se.... Sec ..20. Twp ..23.. S, Rg ..7.  West

OPERATOR: License # .....31160.....  
Name: .....Phillips Exploration Company, LC...  
Address: ..... 2338 Bromfield Circle.....  
City/State/Zip: .....Wichita, Kansas 67226. ....  
Contact Person: .....Jim Phillips .....  
Phone: .....(316) 687-9983.....

.....2310' .. feet from South North line of Section  
.....2310'.....feet from East West line of Section  
IS SECTION  REGULAR \_\_\_\_\_ IRREGULAR?

NOTE: Locate well on the Section Plat on Reverse Side)

County:.....Reno.....

Lease Name: ..Packebush..... Well #: ...1-20.....

Field Name:..... MCARTHUR.....

Is this a Prorated/Spaced Field? .... yes  no

Target Formation(s): ..Mississippian.....

Nearest lease or unit boundary: ...330.....

Ground Surface Elevation: ...1598'Actual..... feet MSL

Water well within one-quarter mile: .... yes  no

Public water supply well within one mile: ... yes  no

Depth to bottom of fresh water: .... 140.....

Depth to bottom of usable water: ... 180.....

Surface Pipe by Alternate:  1  2

Length of Surface Pipe Planned to be set: ..200.....

Length of Conductor pipe required: .....N.R.....

Projected Total Depth: .....4100.....

Formation at Total Depth: .....Arbuckle Dolomite.....

Water Source for Drilling Operations:  
..... well .... farm pond  other

DWR Permit #: .....Sterling will apply to DWR for.....

Will Cores Be Taken?: .... yes  no

If yes, proposed zone: .....

Well Drilled For: Well Class: Type Equipment:

Oil ... Enh Rec  Infield  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  no

If yes, true vertical depth:.....

Bottom Hole 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. 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: ...08-05-99..... Signature of Operator or Agent: Steve E. McClain.....Title..President.....

FOR KCC USE:  
 API # 15- 155-214380000  
 Conductor pipe required NONE feet  
 Minimum surface pipe required 200 feet per Alt.   
 Approved by: JK 8-20-99  
 This authorization expires: 2-20-2000  
 (This authorization void if drilling not started within 6 months of effective date.)  
 Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

08-06-99  
20 23 7W

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: Kansas State Corporation Commission, Wichita State Office Bldg., 130 S. Market, Room 2078, Wichita, KS 67202-3802

