

EFFECTIVE DATE: 8-7-91

"OWWO"

NOTICE OF INTENTION TO DRILL

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

Expected Spud Date: 08/05/91 month day year  
SE SE SW Sec 03 Twp 27 S Rg 07 East West

OPERATOR: License # 5430  
..... 330 feet from South Line of Section  
..... 2970 feet from East Line of Section  
(Note: Locate well on Section Plat on Reverse Side)

Name: ENERGY THREE, INC.  
Address: POB #1505  
City/State/Zip: GREAT BEND, KS 67530  
Contact Person: CHARLES W. DIXON  
Phone: 316-792-5968  
County: KINGMAN  
Lease Name: MCCUTCHEN Well# 1  
Field Name: UNKNOWN

CONTRACTOR: License # 5418  
Name: ALLEN DRILLING COMPANY

Is this a Prorated Field? .....yes XX no  
Target Formation(s): MISSISSIPPI  
Nearest lease or unit boundary: 330  
Ground Surface Elevation: N/A feet MSL  
Domestic well within 330 feet: .....yes XX no  
Municipal well within one mile: .....yes XX no  
Depth to bottom of fresh water: ..... 78  
Depth to bottom of usable water: ..... 180  
Surface Pipe by Alternate: X ..... 1  
Length of Surface Pipe ~~Required to be set~~ 232  
Length of Conductor Pipe required: ..... 232  
Projected Total Depth: 4000  
Formation at Total Depth: MISSISSIPPI  
Water Source for Drilling Operations:  
.....well .....farm pond XX other  
DWR Permit#.....  
Will Cores Be Taken? .....yes XX no  
If yes, proposed zone:.....

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

If OWWO; old well information as follows:  
Operator: SILVER CREEK OIL & GAS  
Well Name: MCCUTCHEN #1  
Comp Date: 04/06/85 Old Total Depth: 4165

Directional, Deviated or Horizontal Wellbore? .....yes XX 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: 08/01/91 Signature of Operator or Agent: BKruiser Title: AS AGENT  
SEARCH, INC.

150

FOR KCC USE:  
API # 15- 095-21,523-#-0001  
Conductor Pipe required 1100 feet  
Minimum surface pipe required 200 feet per Alt. (1) a  
Approved by: MDeW 8-2-91  
EFFECTIVE DATE: 8-7-91  
This authorization expires: 2-2-92  
(This authorization void if drilling not started within 6 months of effective date.)  
Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

Send All Correspondence To:  
**SEARCH, INC.**  
P. O. Box 3528  
Wichita, KS 67201

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.

AUG 7 1991  
WICHITA, KS  
1w  
27  
2w

PLAT OF ACREAGE ATTRIBUTABLE TO A WELL

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

OPERATOR ENERGY THREE, INC.  
LEASE MCCUTCHEN  
WELL NUMBER 1  
FIELD UNKNOWN

LOCATION OF WELL:  
330 feet north of SE corner  
2970 feet west of SE corner  
SW Sec. 03 T 27 R 07 WW  
COUNTY KINGMAN

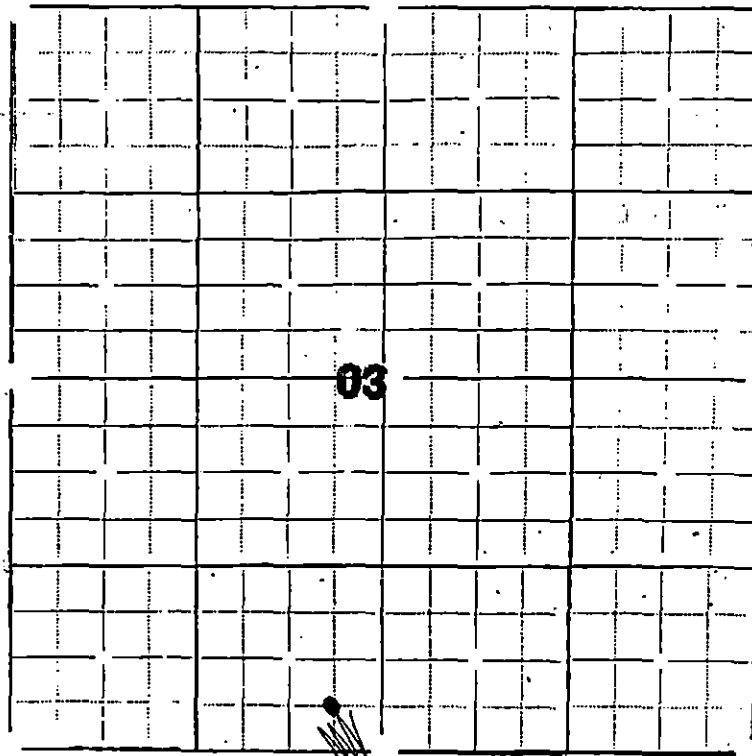
NO. OF ACRES ATTRIBUTABLE TO WELL \_\_\_\_\_

IS SECTION        REGULAR        IRREGULAR?  
IF IRREGULAR, LOCATE WELL FROM NEAREST  
CORNER BOUNDARY.

DESCRIPTION OF ACREAGE \_\_\_\_\_

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 B Knauer

Date \_\_\_\_\_ Title Search, Inc. AS AGENT

316-256-5415