

FOR KCC USE:

EFFECTIVE DATE: 10-6-91

DISTRICT #

SGA? Yes No

State of Kansas

NOTICE OF INTENTION TO DRILL

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

FORM C-1 7/91

FORM MUST BE TYPED

FORM MUST BE SIGNED

ALL BLANKS MUST BE FILLED

OWWO ✓

Expected Spud Date ... 10/02/91 ... month day year

Spot NW NE NW Sec 10 Twp 27 S Rg 7 West

OPERATOR: License # 5430 Name: ENERGY THREE, INC. Address: P.O. Box 1505 City/State/Zip: Great Bend, KS 67530 Contact Person: Charles W. Dixon Phone: 316/792-5968

49.50 feet from South line of Section 36.30 feet from East line of Section IS SECTION X REGULAR IRREGULAR?

CONTRACTOR: License #: 5418 Name: ALLEN DRILLING COMPANY

(NOTE: Locate well on the Section Plat on Reverse Side) County: Kingman Lease Name: WALLACE Well #: 2 SWD (OWWO) Field Name: McCutcheon

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

Is this a Prorated/Spaced Field? yes X no Target Formation(s): Arbuckle Nearest lease or unit boundary: 330 Ground Surface Elevation: 1543 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: 100 Depth to bottom of usable water: 180 Surface Pipe by Alternate: X 1 2 Length of Surface Pipe set: 252! old hole Length of Conductor pipe required: N/A Projected Total Depth: 4200 Formation at Total Depth: Arbuckle Water Source for Drilling Operations: X well farm pond other

If OWWO: old well information as follows: Operator: James W. Hershberger Well Name: #1 McCutcheon Comp. Date: 9/22/61 Old Total Depth: 4124

Directional, Deviated or Horizontal wellbore? yes X no If yes, true vertical depth: N/A Bottom Hole Location: N/A

DWR Permit #: Will Cores Be Taken? yes X 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. 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: 9/27/91 Signature of Operator or Agent: Title: A.GENT

RECEIVED STATE CORPORATION COMMISSION

SEP 30 1991

Wichita Kan. Gas

FOR KCC USE: API # 15- 095-01,013-0001 Conductor pipe required None feet Minimum surface pipe required 200 feet per Alt 1 Approved by: Miller 10-1-91 This authorization expires: 4-1-92 (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.

Mail to: Conservation Division, 200 Colorado Derby Building, 202 W. First St., Wichita, Kansas 67202-1286.

10 27 700

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 ENERGY THREE, INC.
 LEASE WALLACE
 WELL NUMBER #2 OWWO - SWD
 FIELD McCutcheon

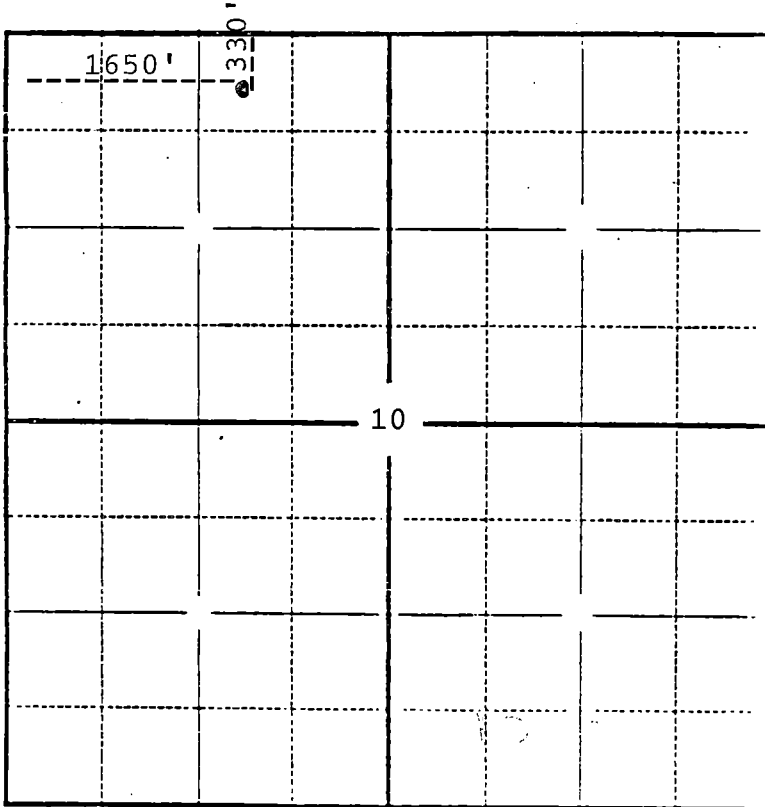
LOCATION OF WELL: COUNTY KINGMAN
4950 feet from south/north line of section
3630 feet from east/west line of section
 SECTION 10 TWP 27 RG 7

NUMBER OF ACRES ATTRIBUTABLE TO WELL _____
 QTR/QTR/QTR OF ACREAGE NW - NE - NW

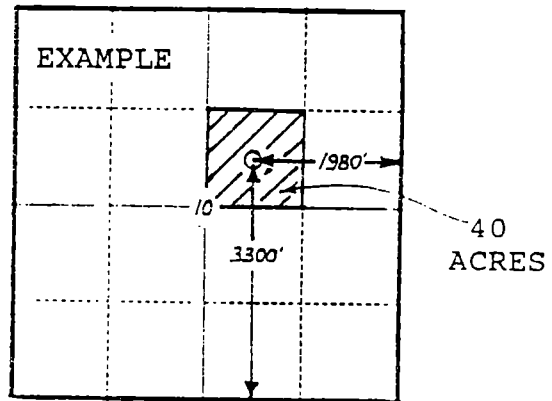
IS SECTION X REGULAR or _____ IRREGULAR
IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST CORNER BOUNDARY.

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.)



KINGMAN CO.



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 lines; and
- 3) the distance to the nearest lease or unit boundary line.