

FOR KCC USE:

EFFECTIVE DATE: 10-9-91

DISTRICT # 2

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" / SLM

Expected Spud Date 10/05/91
month day year

Spot SW - NE - NW Sec 10 Twp 27 S, Rg 7 W East 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

4290 feet from South + North line of Section
3630 feet from East + West line of Section
IS SECTION REGULAR IRREGULAR?

(NOTE: Locate well on the Section Plat on Reverse Side)
County: Kingman

CONTRACTOR: License #: 5418
Name: ALLEN DRILLING COMPANY

Lease Name: WALLACE Well #: #1. OWWO
Field Name: McCutcheon

Is this a Prorated/Spaced Field? yes no
Target Formation(s): Arbuckle

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

Nearest lease or unit boundary: 990
Ground Surface Elevation: 1538 feet MSL

Water well within one-quarter mile: yes no
Public water supply well within one mile: yes no

If OWWO: old well information as follows:
Operator: National Oil Company
Well Name: #21-10 Adrain
Comp. Date: 8/01/81 Old Total Depth 4148'

Depth to bottom of fresh water: 100
Depth to bottom of usable water: 180

Surface Pipe by Alternate: 1 2
Length of Surface Pipe ~~Planned to be set~~: 270' old hole

Length of Conductor pipe required: N/A
Projected Total Depth: 4200'

Formation at Total Depth: Arbuckle
Water Source for Drilling Operations: well farm pond other

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

DWR Permit #:
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. 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 IS 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: 10/03/91 Signature of Operator or Agent: John A. Johnson Title: Agent

C.D - 10-4-91

C.O - 10-4-91

RECEIVED
STATE CORPORATION COMMISSION

OCT 04 1991

Conservation Division
Wichita, Kansas

FOR KCC USE:
API # 15- 095-21,117-A-0000
Conductor pipe required None feet
Minimum surface pipe required 200 feet per Alt (1) @
Approved by: MWJ 10-4-91

This authorization expires: 4-4-92
(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.

Haul fluid - 72 hrs

*10
27
920*

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 #1 OWWO
 WELL NUMBER _____
 FIELD McCutcheon

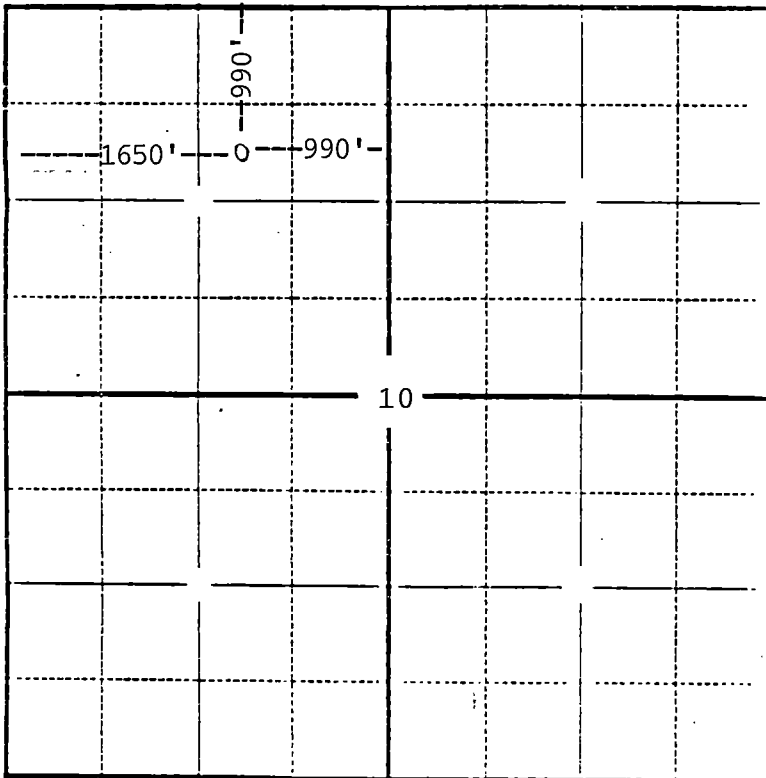
LOCATION OF WELL: COUNTY Kingman
 _____ feet from south/north line of section
4290
 _____ feet from east/west line of section
3630
 SECTION 10 TWP 27 RG 7

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

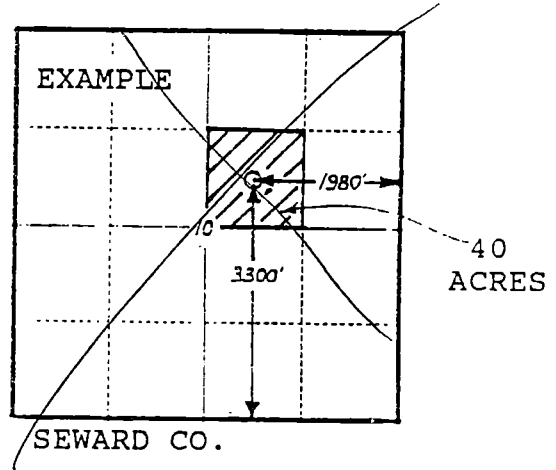
IS SECTION X REGULAR or _____ IRREGULAR
IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST CORNER BOUNDARY.

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.



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.