

EFFECTIVE DATE: 8-10-91

"OWWO" ✓

FORM MUST BE TYPED
FORM C-1 4/90

State of Kansas
NOTICE OF INTENTION TO DRILL

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: 08/05/91 APX. SW. NW NE ec ... 10 Twp .. 27. S Rg .. 07. WW East West

OPERATOR: License # 5430 4290 feet from South Line of Section 2310 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 County: KINGMAN Contact Person: CHARLES W. DIXON Lease Name: TOWNLEG Well#: 1 Phone: 316-792-5968 Field Name: UNKNOWN

CONTRACTOR: License # 5418 Name: ALLEN DRILLING COMPANY

Well Drilled For: Well Class: Type Equipment: Domestic well within 330 feet: yes XX no Municipal well within one mile: yes XX no Depth to bottom of fresh water: 100 Depth to bottom of usable water: 230 Surface Pipe by Alternate: X 1 Length of Surface Pipe Planned to be set: 258 Length of Conductor Pipe required: 0

If OWWO; old well information as follows: Operator: ALLEN DRILLING COMPANY Well Name: MCCLURE #1 Comp Date: 05/22/85 Old Total Depth: 4160 Projected Total Depth: 4000 Formation at Total Depth: MISSISSIPPI Water Source for Drilling Operations: well farm pond other XX

Directional, Deviated or Horizontal Wellbore? yes XX Will Cores Be Taken? yes XX no If yes, total depth location: 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. 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: [Signature] Title: AS AGENT

149

FOR KCC USE: API # 15- 095-21,526-X-00-01 Conductor Pipe required 1000 feet Minimum surface pipe required 250 feet per Alt (1) Approved by: [Signature] 8-5-91 EFFECTIVE DATE: 8-10-91 This authorization expires: 2-5-92 (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.

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

Rec'd 8-1-91 10 27 200 AUG 1 1991 Wichita, Kansas

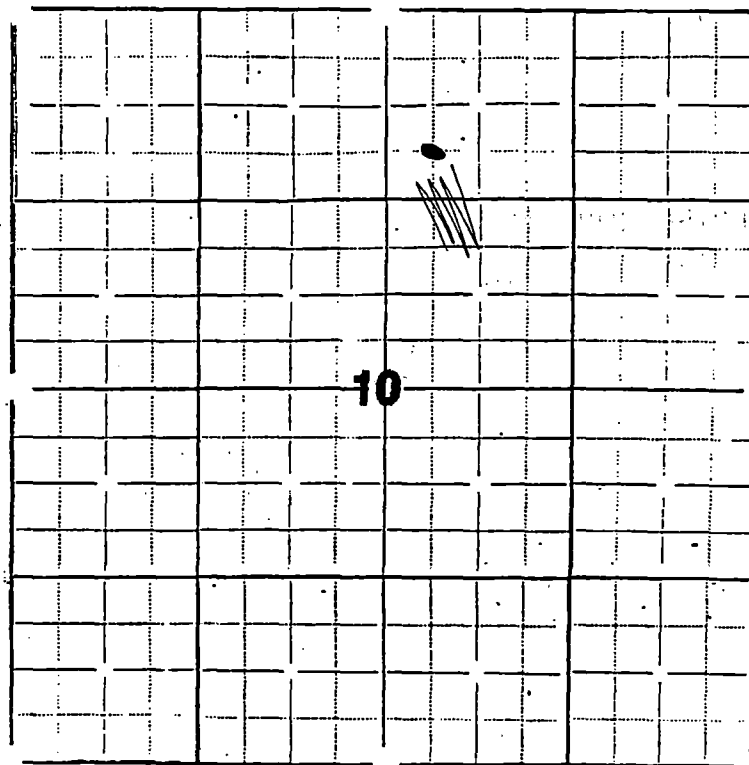
PLAT OF ACREAGE ATTRIBUTABLE TO A WELL

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

OPERATOR ENERGY THREE, INC. LOCATION OF WELL:
LEASE TOWNLEG 4290 feet north of SE corner
WELL NUMBER 1 2310 feet west of SE corner
FIELD UNKNOWN NE Sec. 10 T. 27 R. 07 WW
COUNTY KINGMAN
NO. OF ACRES ATTRIBUTABLE TO WELL _____ IS SECTION _____ REGULAR _____ IRREGULAR?
DESCRIPTION OF ACREAGE _____ IF IRREGULAR, LOCATE WELL FROM NEAREST CORNER BOUNDARY.

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 08/01/91 or Agent BKAWON

Date _____ Title Search, Inc. AS AGENT

316-256-5415