

FOR KCC USE:

FORM C-1 7/91

EFFECTIVE DATE: 9-29-91

State of Kansas

FORM MUST BE TYPED

DISTRICT # 2

NOTICE OF INTENTION TO DRILL

FORM MUST BE SIGNED

SGA? X Yes No

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

ALL BLANKS MUST BE FILLED

Expected Spud Date September 24, 1991
month day year

Spot C SE 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

3300 feet from South / North line of Section
3300 feet from East / West line of Section

IS SECTION X REGULAR IRREGULAR?

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

CONTRACTOR: License #: 5418
Name: ALLEN DRILLING COMPANY

County: Kingman

Lease Name: JONES Well #: 1

Field Name: McCutcheon

Is this a Prorated/Spaced Field? yes X no

Target Formation(s): Mississippian

Nearest lease or unit boundary: 660

Ground Surface Elevation: 1531 feet HSL

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: 75

Depth to bottom of usable water: 180

Surface Pipe by Alternate: X 1 2

Length of Surface Pipe Planned to be set: 250

Length of Conductor pipe required: N/A

Projected Total Depth: 4200

Formation at Total Depth: Viola

Water Source for Drilling Operations:

X well farm pond other

DWR Permit #:

Will Cores Be Taken?: yes X no

If yes, proposed zone:

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

If OWHO: old well information as follows:
Operator: N/A
Well Name:
Comp. Date: Old Total Depth

Directional, Deviated or Horizontal wellbore? yes X 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: 9/20/91 Signature of Operator or Agent: John A. Johnson Title: Agent

CONTACT DISTRICT OFFICE PRIOR TO SPUDDING FOR APPROVAL

KCC OFFICE USE ONLY

W D
CT CT

FOR KCC USE:
API # 15-095-21655-0000
Conductor pipe required None feet
Minimum surface pipe required 200 feet per Alt. X
Approved by: DA 9-24-91
This authorization expires: 3-24-92
(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.

CONSERVATION DIVISION WICHITA, KS

SEP 23 1991

RECEIVED KANSAS CORPORATION COMMISSION

10 27 7

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 JONES
 WELL NUMBER 1
 FIELD _____

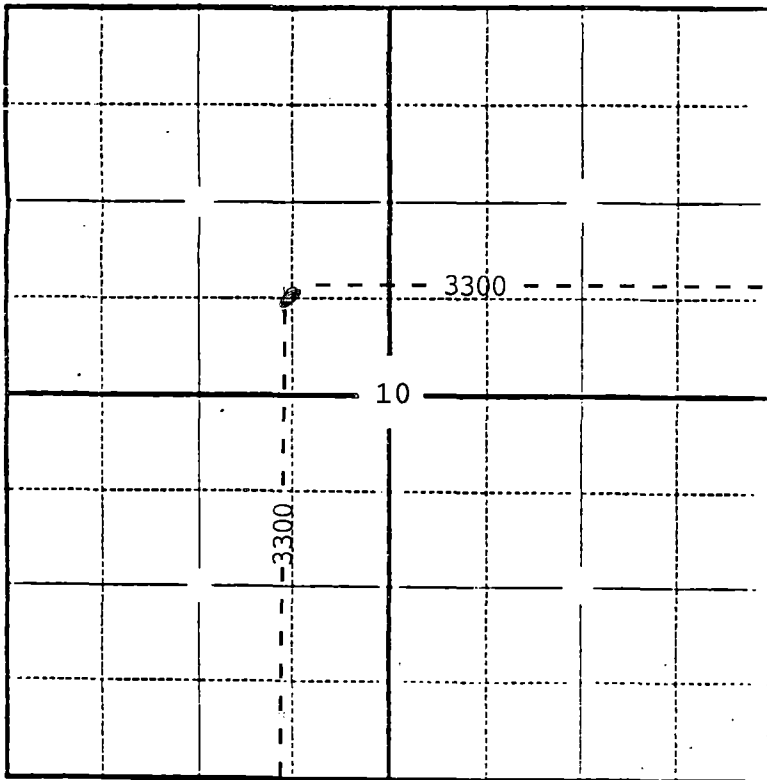
LOCATION OF WELL: COUNTY Kingman
3300 feet from south/~~north~~ line of section
3300 feet from east/~~west~~ line of section
 SECTION 10 TWP 27 RG 7 W

NUMBER OF ACRES ATTRIBUTABLE TO WELL 160
 QTR/QTR/QTR OF ACREAGE C - SE - NW

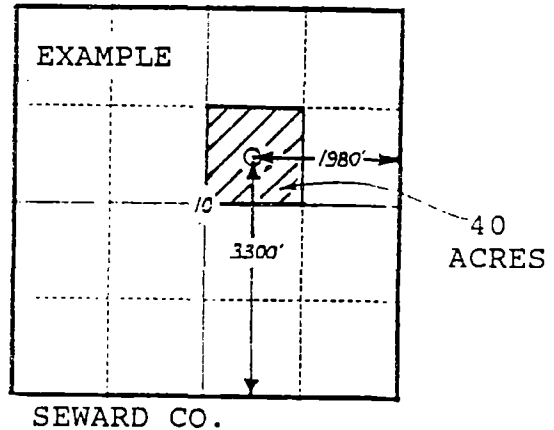
IS SECTION X REGULAR or IRREGULAR
IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST CORNER BOUNDARY.

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.



COUNTY CLERK
 KINGMAN COUNTY
 OFFICE OF THE
 CLERK OF COURTS
 FOR APPROVAL
 RECORDS USE ONLY

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.