

FOR KCC USE:

FORM C-1 7/91

FORM MUST BE TYPED

EFFECTIVE DATE: 6-14-93

State of Kansas

FORM MUST BE SIGNED

DISTRICT # 2

NOTICE OF INTENTION TO DRILL

ALL BLANKS MUST BE FILLED

SGAZ Yes No

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

Expected Spud Date June 8, 1993 Spot NE-SW-NE 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

CONTRACTOR: License #: 5418 Name: ALLEN DRILLING COMPANY

Well Drilled For: Oil Gas OWD Other Well Class: Enh Rec Storage Disposal # of Holes Type Equipment: Infield Pool Ext. Wildcat Other Mud Rotary Air Rotary Cable If OWD: old well information as follows: Operator: N/A Well Name: Comp. Date: Old Total Depth

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

3630 feet from South/North line of Section 1650 feet from East/West line of Section IS SECTION X REGULAR IRREGULAR? (NOTE: Locate well on the Section Plat on Reverse Side) County: Kingman Lease Name: WALLACE Well #: 3 Field Name: McCutcheon Is this a Prorated/Spaced Field? yes X no Target Formation(s): Viola Nearest lease or unit boundary: 990 Ground Surface Elevation: 1550 (est) 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: 200 Surface Pipe by Alternate: X. 1 2 Length of Surface Pipe Planned to be set: (300) 220 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:

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: 6/01/93 Signature of Operator or Agent Title: Agent

FOR KCC USE: API # 15- 095-21675 0000 Conductor pipe required None feet Minimum surface pipe required 220 feet per Alt. X Approved by: CB 6-9-93 This authorization expires: 12-9-93 (This authorization void if drilling not started within 6 months of effective date.) Spud date: Agent:

RECEIVED STATE CORPORATION COMMISSION JUN 2 1993 CONSERVATION DIVISION Wichita, Kansas

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 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 WALLACE #3
 WELL NUMBER #3
 FIELD McCutcheon

LOCATION OF WELL: COUNTY Kingman
3630 feet from south/north line of section
1650 feet from east/west line of section
 SECTION 10 TWP 27 S RG 7 W

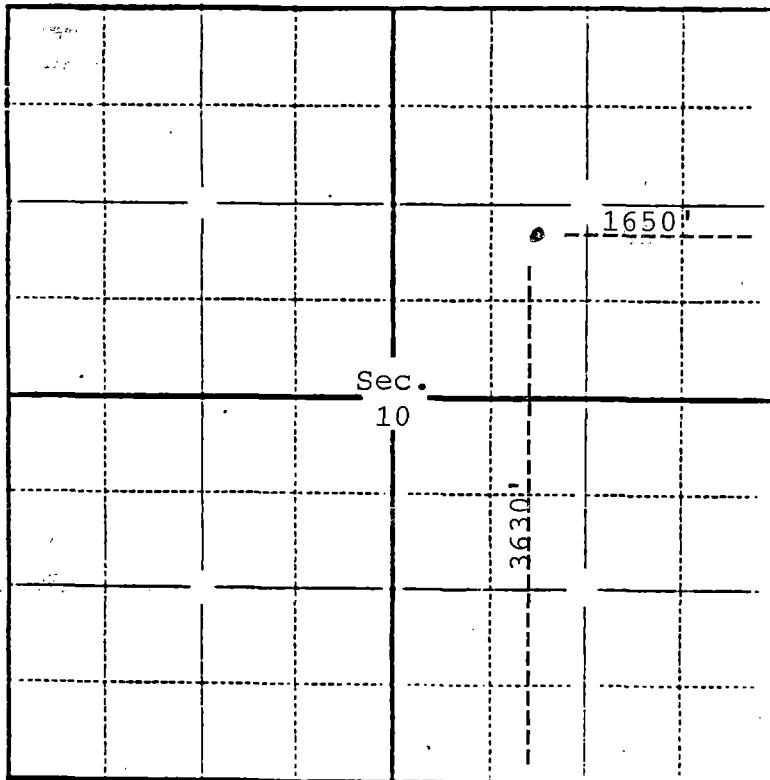
NUMBER OF ACRES ATTRIBUTABLE TO WELL _____
 QTR/QTR/QTR OF ACREAGE NE - SW - NE

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

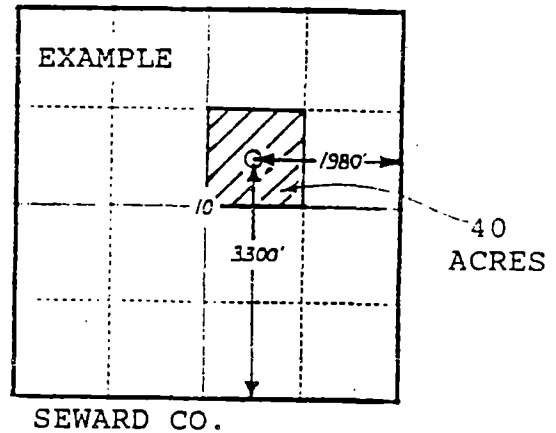
Section corner used: NE NW SE SW

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.