

CARD MUST BE TYPED

State of Kansas

CARD MUST BE SIGNED

NOTICE OF INTENTION TO DRILL

(see rules on reverse side)

Starting Date August 5, 1986
month day year

API Number 15— 095-21,560 0000

OPERATOR: License # 5255
 Name McGinness Oil Company
 Address 1026 Union Center Building
 City/State/Zip Wichita, Kansas 67202
 Contact Person Doug McGinness
 Phone (316) 267-6065

..... East
 C. NW. NE Sec. 15... Twp. 29. S, Rg. 8..... X West
 4620 Ft. from South Line of Section
 1980 Ft. from East Line of Section

(Note: Locate well on Section Plat on reverse side)

CONTRACTOR: License # 5380
 Name Eagle Drilling, Inc.
 City/State Wichita, Kansas

Nearest lease or unit boundary line 660 feet
 County Kingman
 Lease Name Gray-Laird Well # 1
 Ground surface elevation 1665 feet MSL

Well Drilled For: Well Class: Type Equipment:
 X Oil — SWD — Infield X Mud Rotary
 X Gas — Inj — Pool Ext. — Air Rotary
 — OWWO — Expl X Wildcat — Cable

Domestic well within 330 feet: — yes X no
 Municipal well within one mile: — yes X no

Depth to bottom of fresh water 150' feet

Depth to bottom of usable water 200' feet

Surface pipe by Alternate: 1 X 2

Surface pipe planned to be set 280 feet

Conductor pipe required None feet

Projected Total Depth 4550 feet

Formation Simpson

If OWWO: old well info as follows:

Operator

Well Name

Comp Date Old Total Depth

I certify that well will comply with K.S.A. 55-101, et seq. plus eventually plugging hole to KCC specifications.

Date 07-29-86 Signature of Operator or Agent Doug McGinness Title President

For KCC Use:

Conductor Pipe Required feet; Minimum Surface Pipe Required 200 feet per Alt. D

This Authorization Expires 1-30-87 Approved By 7-30-86

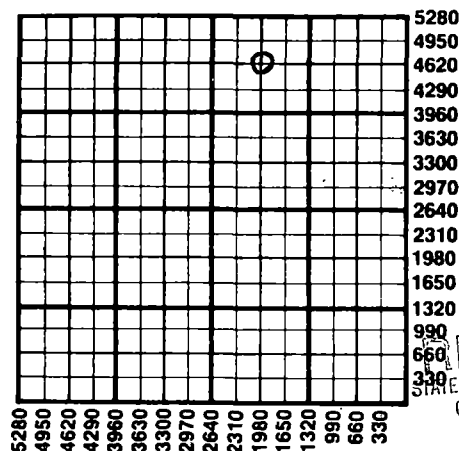
KCC/KCC

Must be filed with the K.C.C. five (5) days prior to commencing well
This card void if drilling not started within six (6) months of date received by K.C.C.

Important procedures to follow:

1. Notify District office before setting surface casing.
2. Set surface casing by circulating cement to the top.
3. File completion forms ACO-1 with K.C.C. within 90 days of well completion, following instructions on ACO-1, side 1, and including copies of wireline logs.
4. Notify District office 48 hours prior to old well workover or re-entry.
5. Prior to filing Intent, prepare a proposed plugging plan in case well is D & A, then obtain approval of plan when calling district office prior to setting surface pipe.
6. Submit plugging report (CP-4) to K.C.C. after plugging is completed.
7. Obtain an approved injection docket number before disposing of salt water.
8. Notify K.C.C. within 10 days when injection commences or terminates.
9. If an alternate 2 completion, cement in the production pipe from below any usable water to surface within 120 days of spud date.

A Regular Section of Land 1 Mile = 5,280 Ft.



RECEIVED
STATE CORPORATION COMMISSION
CONS. DIV. WICHITA, KS

JUL 30 1986

State Corporation Commission of Kansas
Conservation Division
200 Colorado Derby Building
Wichita, Kansas 67202
(316) 263-3238