

EFFECTIVE DATE: 7-2-94

State of Kansas

DISTRICT # 1

NOTICE OF INTENTION TO DRILL

SGAT Yes No

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

Expected Spud Date June 30 1994
month day year

Spot SW-SW NW. Sec 4 Twp 31 S. Rg 12 East X West

OPERATOR: License # 4233
Name: Precision Petroleum Corp.
Address: P.O. Box 253
City/State/Zip: Wichita, KS 67201
Contact Person: Gail D. Melton
Phone: (316) 263-1100

2180' ~~XXXXXX~~ / North line of Section
330' ~~XXXXXX~~ / West line of Section
IS SECTION X REGULAR IRREGULAR?

(NOTE: Locate well on the Section Plat on Reverse Side)
County: Barber
Lease Name: Olson Well #: 1-4

CONTRACTOR: License #:
Name: DuKe Drilling Co., Inc.

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

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

Nearest lease or unit boundary: 330'
Ground Surface Elevation: 1801 feet MSL
Water well within one-quarter mile: yes X no

If OWWO: old well information as follows:
Operator: Raymond Oil Company
Well Name: Rule # 1
Comp. Date: 09/30/78 Old Total Depth 3885'

Public water supply well within one mile: yes X no
Depth to bottom of fresh water: 230
Depth to bottom of usable water: 230
Surface Pipe by Alternate: X 1 2

Length of Surface Pipe ~~Planned to be set:~~ 260
Length of Conductor pipe required:
Projected Total Depth: 3885' same as old
Formation at Total Depth: Lansing

Directional, Deviated or Horizontal wellbore? yes X no

Water Source for Drilling Operations:
 well X farm pond other

If yes, true vertical depth:

DWR Permit #:
Will Cores Be Taken? yes X no

Bottom Hole 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. 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: 06/27/94 Signature of Operator or Agent: Gail D. Melton Title: President

FOR KCC USE:
 API # 15- 007-20668-00-01
 Conductor pipe required NONE feet
 Minimum surface pipe required 260 feet per Alt. (1) X
 Approved by: CB 6-27-94
 This authorization expires: 12-27-94
 (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.

"GWWO"

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IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

PLAT OF ACREAGE ATTRIBUTABLE TO A WELL IN A PRORATED OR SPACED FIELD

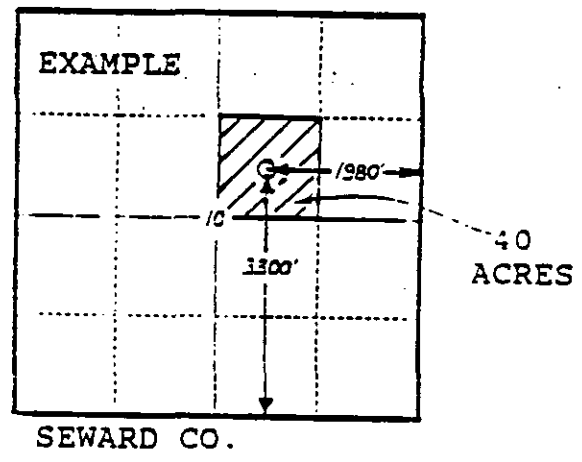
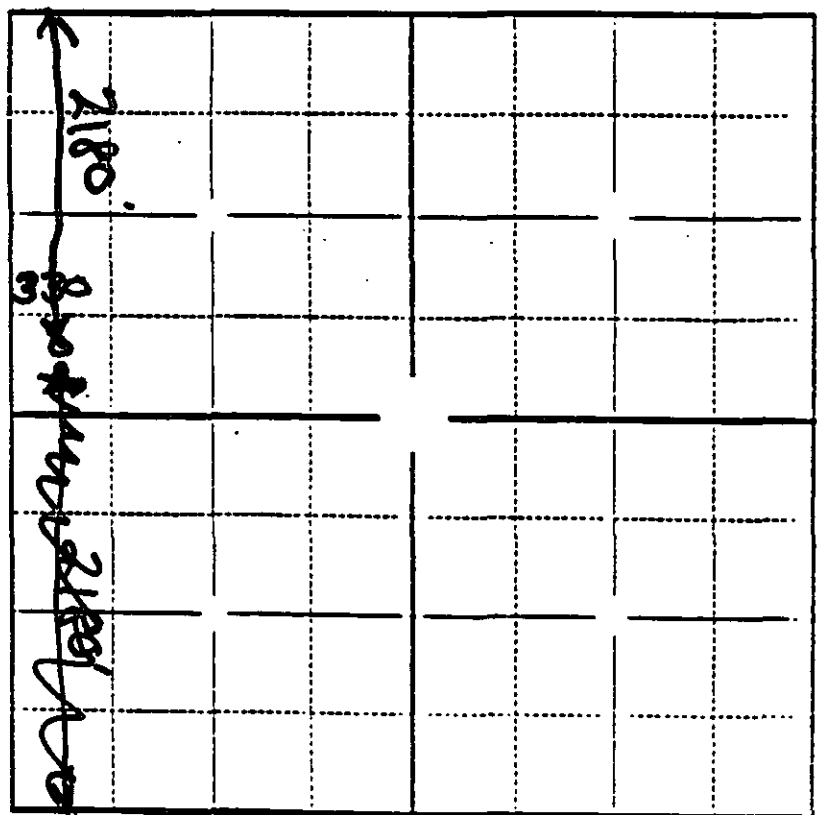
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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 Precision Petroleum Corp. LOCATION OF WELL: COUNTY Barber
 LEASE Olson 2180' feet ~~from south~~ north line of section
 WELL NUMBER 1-4 330' feet from ~~east~~ west line of section
 FIELD _____ SECTION 4 TWP 31 S RG 12 W

NUMBER OF ACRES ATTRIBUTABLE TO WELL 320 IS SECTION X REGULAR or _____ IRREGULAR
 QTR/QTR/QTR OF ACREAGE SW - SW - NW IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST
 CORNER BOUNDARY.
 Section corner used: _____ NE X 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.)



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.