State of Kansas
NOTICE OF INTENTION TO DRILL

Expected Spud Date: January 29th, 1999

OPERATOR: License # 31120
Name: PELECANO HILL OIL & GAS, INC.
Address: 1401 North El Camino Real, Suite 207
San Clemente, CA 92672
Contact Person: Allen J. Gross
Phone: (949) 498-3101

CONTRACTOR: License # 31548
Name: Discovery Drilling, Inc.

Well Drilled For: Gas
Well Class: Disposal
Type Equipment: Other

Oil
Enh Rec
Infield
X. Mud Rotary

Gas
Storage
Pool Ext.
Air Rotary

Other

If OAH: old well information as follows:
Operator:
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 spudding 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: Jan. 20, 1999
Signature of Operator or Agent: 
Title: Agent

REMEMBER TO:
- File well completion form (CDP-1) with Intent to Drill;
- File completion form ADC-1 within 120 days of spudd date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit drilling report (CP-4) after drilling is completed;
- Obtain written approval before disposing or injecting salt water.

Mail to: KCC - Conservation Division, 130 S. Market - Room 2075, Wichita, Kansas 67202.
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 PELICAN HILL OIL & GAS, INC.
LEASE Rath
WELL NUMBER 2
FIELD Wildcat
NUMBER OF ACRES ATTRIBUTABLE TO WELL 160
QTR/QTR/QTR OF ACREAGE __________

LOCATION OF WELL: COUNTY Cheyenne
1130 feet from 2400 north line of section
1830 feet from 2400 west line of section
SECTION 23 TWP 2S RG 42w
IS SECTION X REGULAR or _______ IRREGULAR
IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST CORNER BOUNDARY.
Section corner used: _____ NE _____ NW _____ SE _____ SW

(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; and
3) the distance to the nearest lease or unit boundary line.