STATE OF KANSAS
STATE CORPORATION COMMISSION
CONSERVATION DIVISION
200 Colorado Derby Building
Wichita, Kansas 67202

WELL PLUGGING APPLICATION FORM
(PLEASE TYPE FORM and File ONE Copy)

API #: 15-147-20.060060-0 (Identifier number of this well). This must be listed for
wells drilled since 1967; if no API# was issued, indicate spud or completion date.

WELL OPERATOR: Anderson Energy, Inc.  KCC LICENSE #: 6484  6/98
(Owner/company name)  (Operator's)

ADDRESS: 200 East First, Suite #414  CITY: Wichita

STATE: Kansas  ZIP CODE: 67202  CONTACT PHONE #: (316) 265-7929

LEASE:  Vech  WELLS: 1  SEC. 26  T. 3  R. 19 (NE/4/NE/West)

- SW - SE - SE  SPOT LOCATION: 8888  COUNTY: Phillips

1650 FEET (in exact footage) FROM S/W (circle one) LINE OF SECTION (NOT Lease Line)
330 FEET (in exact footage) FROM E/SW (circle one) LINE OF SECTION (NOT Lease Line)

Check One: OIL WELL  X  GAS WELL  D&A  SWD/ENHR WELL  DOCKET:

CONDUCTOR CASING SIZE: ________ SET AT: ________ CEMENTED WITH: ________ SACKS

SURFACE CASING SIZE: ________ SET AT: ________ CEMENTED WITH: ________ SACKS

PRODUCTION CASING SIZE: ________ SET AT: ________ CEMENTED WITH: ________ SACKS

LIST (ALL) PERFORATIONS and BRIDGEPLUG SETS: 3246-48; 3264-66; 3282-84

(G.L./K.B.)  (Stone Corral Formation)

CONDITION OF WELL:  GOOD  POOR  CASING LEAK  X  JUNK IN HOLE

PROPOSED METHOD OF PLUGGING: Per KCC requirements.

2/19/98  2-20-98

(If additional space is needed attach separate page)

IS WELL LOG ATTACHED TO THIS APPLICATION AS REQUIRED?  Yes  IS ACO-1 FILED?  Unknown

If not explain why:

PLUGGING OF THIS WELL WILL BE DONE IN ACCORDANCE WITH K.S.A. 55-101 et. seq. AND THE
RULES AND REGULATIONS OF THE STATE CORPORATION COMMISSION.

LIST NAME OF COMPANY REPRESENTATIVE AUTHORIZED TO BE IN CHARGE OF PLUGGING OPERATIONS:

Wally Wahlmeier  PHONE #: (785) 625-2725

ADDRESS: 2213 Virginia Drive  city/state: Hays, KS  67601

PLUGGING CONTRACTOR: Express Well Service  KCC LICENSE #: 6426  6/98

ADDRESS: Box 426, Victoria, KS  67671  PHONE #: (785) 735-9405

PROPOSED DATE AND HOUR OF PLUGGING (If Known?):

PAYMENT OF THE PLUGGING FEE (K.A.R. 82-3-118) WILL BE GUARANTEED BY OPERATOR OR AGENT

DATE: 2/19/98  AUTHORIZED OPERATOR/AGENT:  William  (signature)

(Operator's)
NOTICE OF RECEIPT OF WELL PLUGGING APPLICATION (CP-1)

February 27, 1998

Anderson Energy Inc
200 East First  Suite 414
Wichita  KS  67202

Veeh #1
API 15-147-20,060.00-00
1650 FSL  330 FEL
Sec. 26-03S-19W
Phillips County

Dear Wally Wahlmeier,

This letter is to notify you that the Conservation Division is in receipt of your plugging proposal, form CP-1, for the above-captioned well.

Your CP-1 has been reviewed by the Conservation Division central office for completeness and to verify license numbers. The plugging proposal will now be forwarded to the district office listed below for review of your proposed method of plugging.

Please contact the district office for approval of your proposed plugging method at least at five (5) days before plugging the well, pursuant to K.A.R. 82-3-113 (b). If a workover pit will be used during the plugging of the well it must be permitted. A CDP-1 form must be filed and approved prior to the use of the pit.

The Conservation Division's review of form CP-1, either in the central or district office, does not include an inquiry into well ownership or the filing operator's legal right to plug the well.

This notice in no way constitutes authorization to plug the above-captioned well by persons not having legal rights of ownership or interest in the well. This notice is void after ninety (90) days from the above date.

Sincerely,

David P. Williams
Production Supervisor

District: #4
2301 E 13th
Hays  KS  67601
(913) 628-1200