

FOR KCC USE:

FORM C-1 7/91

EFFECTIVE DATE: 10-6-92

FORM MUST BE TYPED

DISTRICT # 1

State of Kansas
NOTICE OF INTENTION TO DRILL

FORM MUST BE SIGNED
ALL BLANKS MUST BE FILLED

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

Expected Spud Date: October 15th 1992
month day year

Section SW SW Sec 17 Twp 17 S. Rg 24 East West

OPERATOR: License # 9855
Name: Grand Mesa Operating Company
Address: 200 E. First St., Suite 307
City/State/Zip: Wichita, KS 67202
Contact Person: Ronald N. Sinclair
Phone: (316) 265-3000

660 feet from South / West line of Section
660 feet from East / West line of Section
Is SECTION X REGULAR IRREGULAR?

CONTRACTOR: License #: advise prior to spudding
Name: Unknown

(NOTE: Locate well on the Section Plat on Reverse Side)
County: Ness
Lease Name: Elmore Well #: 3
Field Name: Dickman

Well Drilled For: Well Class: Type Equipment:
Oil Enh Rec Infield Mud Rotary
Gas Storage Pool Ekt Air Rotary
OUMD Disposal Wildcat Cable
Seismic: # of Holes Other
Other

Is this a Prorated/Spaced Field? yes X no
Target Formation(s): Fort Scott, Cherokee Sand
Nearest lease or unit boundary: 660 ft.

If OUMD: old well information as follows:
Operator:
Well Name:
Date: Old Test Depth

Ground Surface Elevation: 2411 est feet NSL
Water well within one-quarter mile: yes X no
Public water supply well within one mile: yes X no

Directions? Deviated or Horizontal wellbores? yes X no
If yes, true vertical depth:
Bottom Hole Location:

Depth to bottom of fresh water: 725
Depth to bottom of usable water: 1050
Surface Pipe by Alternate: 1 X 2
Length of Surface Pipe Planned to be set: 200
Length of Conductor pipe required: 0

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:

Projected Total depth: 4500
Formation at Total Depth: Mississippian
Water Source for Drilling Operations:
well X farm pond other

DNR Permit #:
Will Cores Be Taken? yes X no
If yes, proposed zone:

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 IS 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: 9-30-92 Signature of Operator or Agent: [Signature] Title: President

FOR KCC USE:
API # 15- 135-23709
Conductor pipe required None feet
Minimum surface pipe required 200 feet per Alt. 1 2
Approved by: C.B. 1-92

This authorization expires: 4-93
(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 ACD-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.

RECEIVED
STATE CORPORATION COMMISSION

OCT 1 1992

CONSERVATION DIVISION
Wichita, Kansas

MAILED
OCT 1 1992
CONSERVATION DIVISION
WICHITA, KANSAS

Mail to: Conservation Division, 200 Colorado Derby Building, 202 W. First St., Wichita, Kansas 67202-1286.

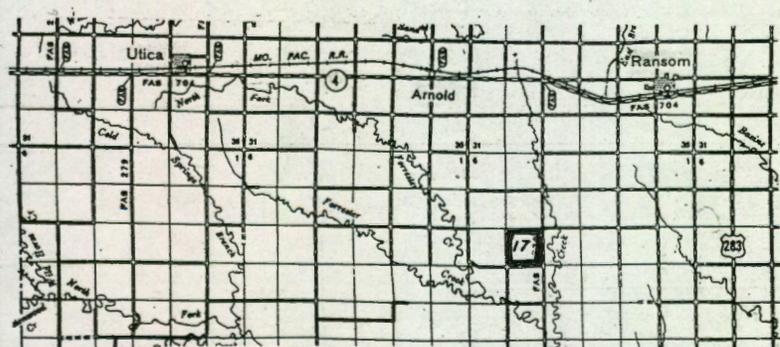
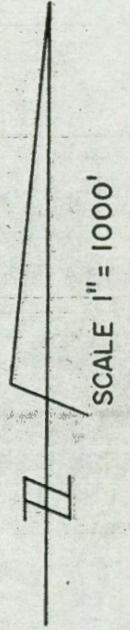
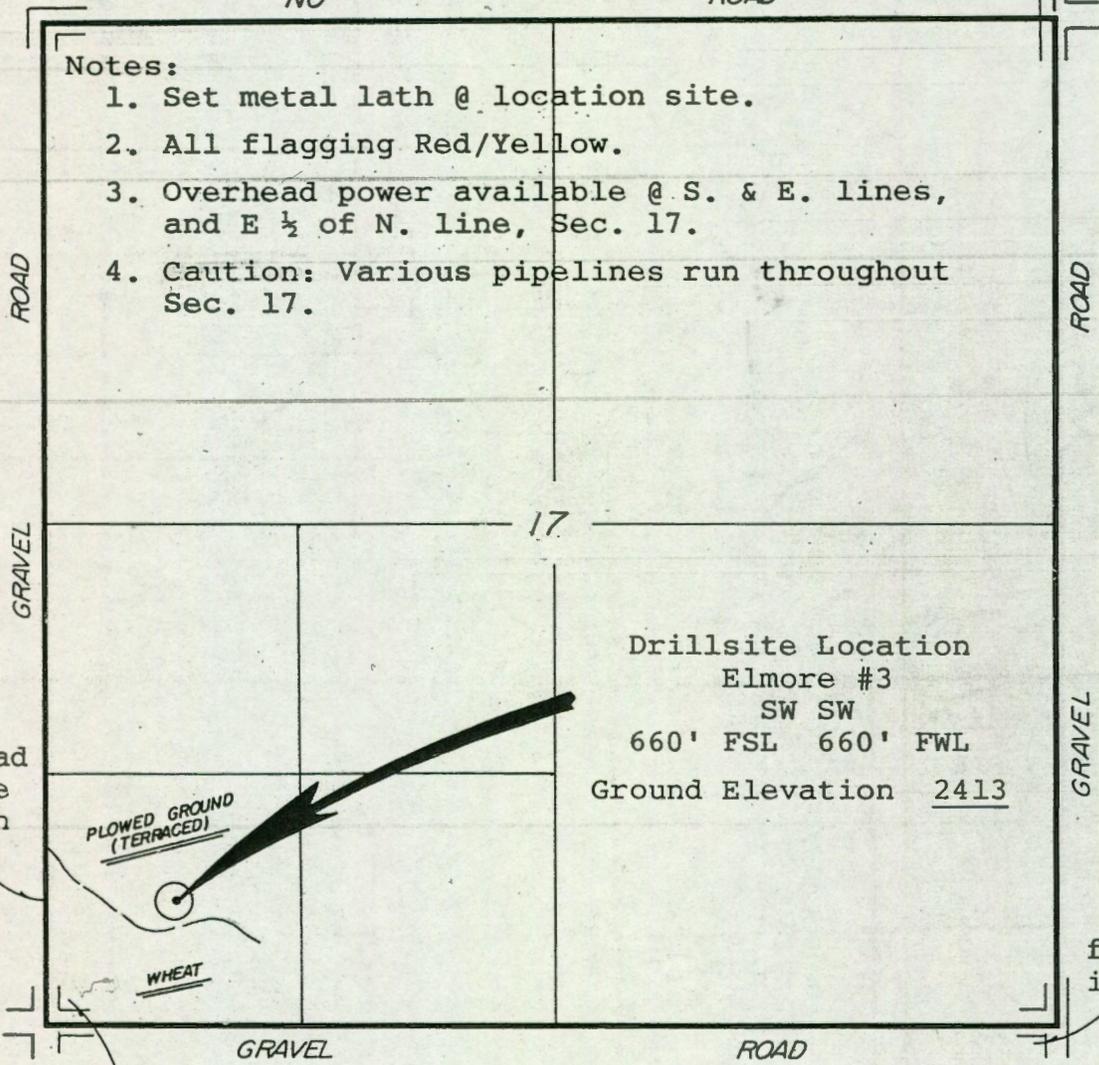
17
17
24

GRAND MESA OPERATING COMPANY
 ELMORE LEASE
 SW ¼, SECTION 17, T17S, R24W
 NESS COUNTY, KANSAS

4 miles to
 Hwy 4

Notes:

1. Set metal lath @ location site.
2. All flagging Red/Yellow.
3. Overhead power available @ S. & E. lines, and E ½ of N. line, Sec. 17.
4. Caution: Various pipelines run throughout Sec. 17.



* Controlling data is based upon the best maps and photographs available to us and upon a regular section of land containing 640 acres.
 * Approximate section lines were determined using the normal standard of care of oilfield surveyors practicing in the state of Kansas. The section corners, which establish the precise section lines, were not necessarily located.
 * Elevations derived from National Geodetic Vertical Datum.

Randy E. Anderson
 Randy E. Anderson, R.L.S. 802

Date May 14, 1993

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 Grand Mesa Operating Company
 LEASE Elmore
 WELL NUMBER #3
 FIELD Dickman

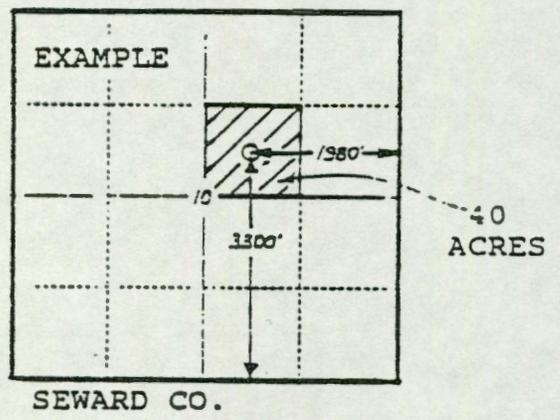
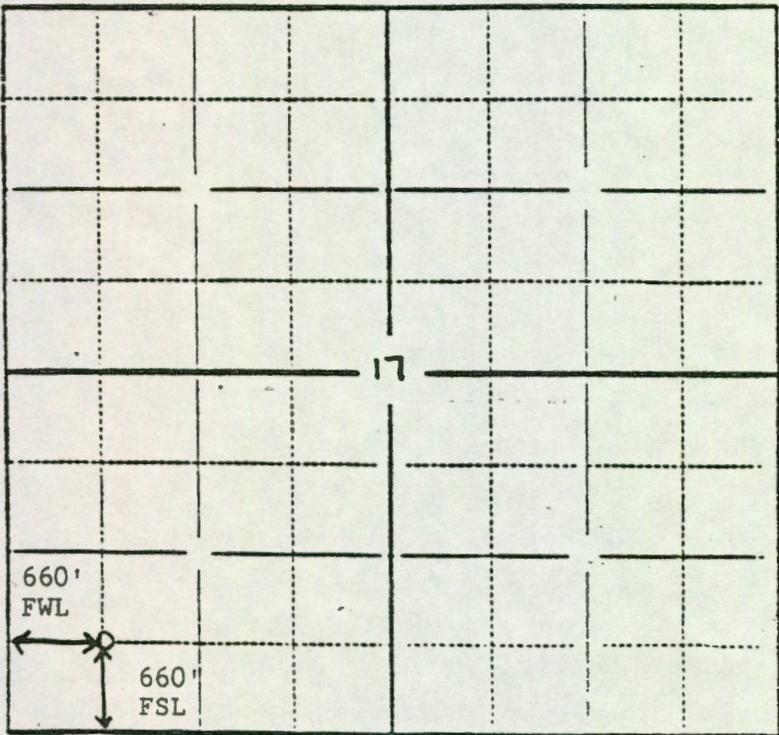
LOCATION OF WELL: COUNTY Ness
 _____ feet from south/north line of section
 _____ feet from east/west line of section
 SECTION 17 TWP 17S RG 24W

NUMBER OF ACRES ATTRIBUTABLE TO WELL 40
 QTR/QTR/QTR OF ACREAGE C - SW - SW

IS SECTION _____ 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.)



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.