

FIRST
CORRECTED

For KCC Use: 3-31-04
Effective Date: _____
District # 1
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form C-1
December 2002
Form must be Typed
Form must be Signed
All blanks must be Filled

NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well

AMENDED: NAME CHANGE ONLY

Expected Spud Date April 25 2004
month day year

AP TO SEQ 60' WAT

Spot SW SE NE Sec. 5 Twp. 33 S. R. 42 East West

OPERATOR: License# 32638
Name: Nadel and Gussman, L.L.C.
Address: 15 E. 5th St., Suite 3200
City/State/Zip: Tulsa, OK 74103
Contact Person: Chuck Coday
Phone: 918/583-3333

_____ feet from N / S Line of Section
_____ feet from E / W Line of Section
Is SECTION Regular Irregular?

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

County: Morton

Lease Name: Hanke * Well #: 2-5

Field Name: Mustang West East

Is this a Prorated / Spaced Field? Yes No

Target Information(s): Morrow

Nearest Lease or unit boundary: 1050 (Unit Retrieved)

Ground Surface Elevation: 3516 feet MSL

Water well within one-quarter mile: Yes No

Public water supply well within one mile: Yes No

Depth to bottom of fresh water: 400

Depth to bottom of usable water: 460

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 1400

Length of Conductor Pipe required: NONE

Projected Total Depth: 4900

Formation at Total Depth: 4750

Water Source for Drilling Operations:

Well Farm Pond Other Landowner will supply wtr

DWR Permit #: _____

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No

If Yes, proposed zone: _____

CONTRACTOR: License# ADVISE ON ACO-1; MUST BE LICENSED WITH KCC
Name: NA

Well Drilled For: Well Class: Type Equipment:

- | | | | |
|--|--------------------------------------|---|--|
| <input checked="" type="checkbox"/> Oil | <input type="checkbox"/> Enh Rec | <input type="checkbox"/> Infield | <input checked="" type="checkbox"/> Mud Rotary |
| <input checked="" type="checkbox"/> Gas | <input type="checkbox"/> Storage | <input type="checkbox"/> Pool Ext. | <input type="checkbox"/> Air Rotary |
| <input type="checkbox"/> OWWO | <input type="checkbox"/> Disposal | <input checked="" type="checkbox"/> Wildcat | <input type="checkbox"/> Cable |
| <input type="checkbox"/> Seismic; # of Holes _____ | <input type="checkbox"/> Other _____ | | |
| <input type="checkbox"/> Other _____ | | | |

If OWWO: old well information as follows:

Operator: _____

Well Name: _____

Original Completion Date: _____ Original Total Depth: _____

Directional, Deviated or Horizontal wellbore? Yes No

If Yes, true vertical depth: _____

Bottom Hole Location: _____

KCC DKT #: _____

* WAS: WELL # 1-5
Is: well # 2-5

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.

It is agreed that the following minimum requirements will be met:

Prorated & Spaced Hugoton & Greenwood Zones
& Morrow (Mustang East)

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. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,891-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. **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: 4/20/04 Signature of Operator or Agent: Chuck Coday Title: Sr. Operations Engineer

For KCC Use ONLY

API # 15 - 129-21735-00-00

Conductor pipe required NONE feet

Minimum surface pipe required 480 feet per Alt. 1

Approved by: RJP 3-26-04 / RJP 4-28-04

This authorization expires: 9-26-04
(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.
- If this permit has expired (See: authorized expiration date) please check the box below and return to the address below.

Well Not Drilled - Permit Expired
Signature of Operator or Agent: _____
Date: _____

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

5
33
422

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 and 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 - 129-21735-00-00
 Operator: Nadel and Gussman, L.L.C.
 Lease: Hanke
 Well Number: 2-5
 Field: Mustang West

Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: SW - SE - NE

Location of Well: County: Morton
 _____ 2400 feet from N / S Line of Section
 _____ 1050 feet from E / W Line of Section
 Sec. 5 Twp. 33 S. R. 42 East West

Is Section: Regular or Irregular

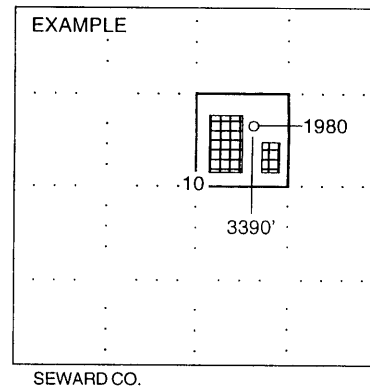
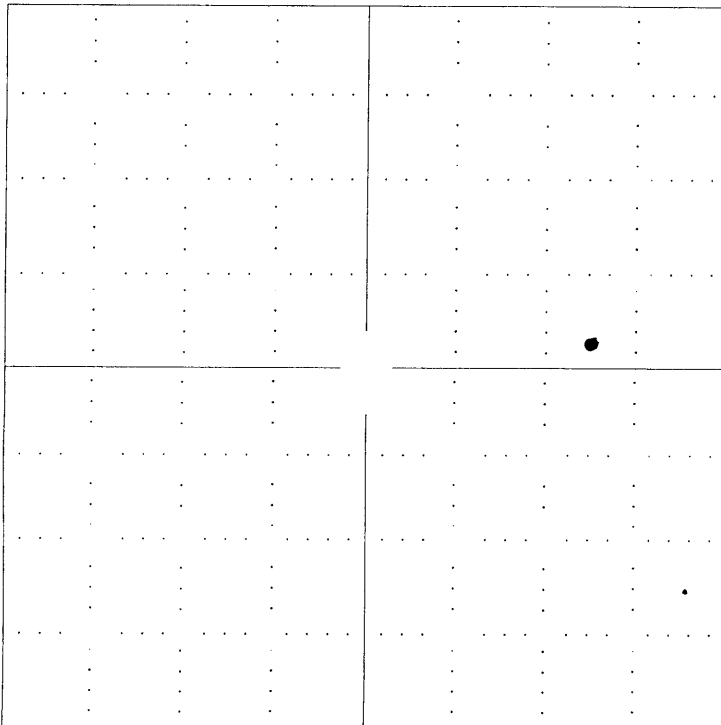
If Section is Irregular, locate well from nearest corner boundary.

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.)



NOTE: In all cases locate the spot of the proposed drilling location.

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.
3. The distance to the nearest lease or unit boundary line.
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (CO-7 for oil wells; CG-8 for gas wells).