

FOR KCC USE:

FORM C-1 7/91

EFFECTIVE DATE: 1-12-98

State of Kansas

FORM MUST BE TYPED

DISTRICT # 4

NOTICE OF INTENTION TO DRILL

FORM MUST BE SIGNED

SGA? Yes..X No

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

ALL BLANKS MUST BE FILLED

Expected Spud Date January 12 1998
month day year

Spot East
 NW SE SE. Sec 8. Twp 1. S, Rg 33. X West

OPERATOR: License # 31514
Name: Thoroughbred Associates
Address: 10 Colonial Ct.
City/State/Zip: Wichita, KS 67207
Contact Person: Robert C. Patton
Phone: (316) 685-1512

 990' FSL..... feet from xxxxx / North line of Section
 990' FEL..... feet from East / xxxx line of Section
IS SECTION X REGULAR IRREGULAR?

(NOTE: Locate well on the Section Plat on Reverse Side)

CONTRACTOR: License #: 30606
Name: Murfin Drilling Co., Inc.

County: Rawlins
Lease Name: Vap Well #: 1
Field Name: RHP SE

Well Drilled For: Well Class: Type Equipment:

 X. Oil Enh Rec Infield X. Mud Rotary
 Gas Storage X Pool Ext. Air Rotary
 OWWO Disposal X Wildcat Cable
 Seismic; # of Holes Other
 Other

Is this a Prorated/Spaced Field? yes XX no

Target Formation(s): Lansing-Kansas City
Nearest lease or unit boundary: 990'

Ground Surface Elevation: 3004' feet MSL
Water well within one-quarter mile: yes XX no

Public water supply well within one mile: yes XX no
Depth to bottom of fresh water: 200

Depth to bottom of usable water: 200
Surface Pipe by Alternate: X 1 X 2

If OWWO: old well information as follows:

Operator:
Well Name:
Comp. Date: Old Total Depth

Length of Surface Pipe Planned to be set: 200' 250' MIN.
Length of Conductor pipe required: NA

Projected Total Depth: 4300'
Formation at Total Depth: Mississippian
Water Source for Drilling Operations:

Directional, Deviated or Horizontal wellbore? yes XX no

Will Cores Be Taken?: yes XX no
If yes, proposed zone:

If yes, true vertical depth:
Bottom Hole Location:

AFFIDAVIT

RAWLINS CO. IS ALT 1 ONLY. PROTECT THROUGH ALL UNCONSOLIDATED + 50'

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: January 5, 1998 Signature of Operator or Agent: [Signature] Title: Managing Partner

FOR KCC USE:
 API # 15- 153-208150000
 Conductor pipe required NONE feet
 Minimum surface pipe required 250' feet per Alt. (1) X
 Approved by: JK 1-7-98
 This authorization expires: 7-7-98
 (This authorization void if drilling not started within 6 months of effective date.)
 Spud date: Agent:

RECEIVED
STATE OF KANSAS
CONSERVATION DIVISION

JAN 7-98

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

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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.

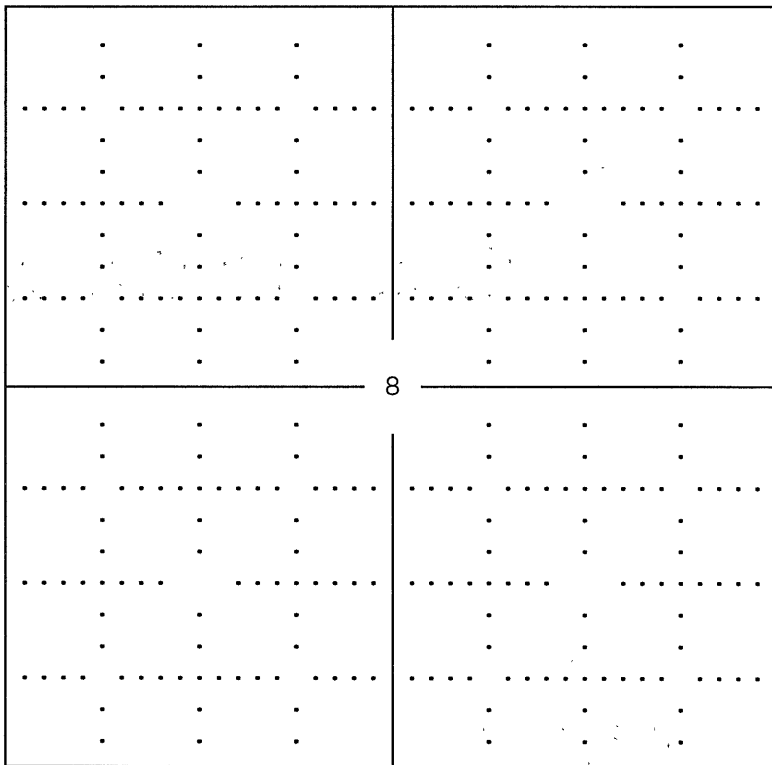
API NO. 15- _____
 OPERATOR _____ LOCATION OF WELL: COUNTY _____
 LEASE _____ feet from south/north line of section _____
 WELL NUMBER _____ feet from east/west line of section _____
 FIELD _____ SECTION _____ TWP _____ RG _____

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

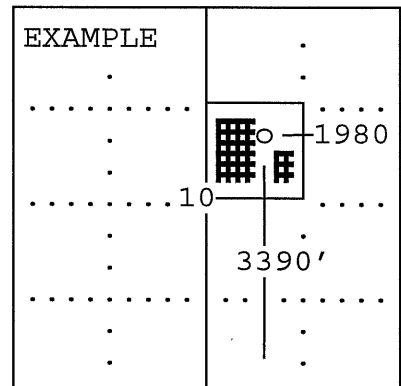
PLAT

(Show location of the well and shade attributable acreage for prorated or spaced wells.)
 (Show footage to the nearest lease or unit boundary line.)

R 33 W



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SEWARD CO.

Rawlins County, Kansas

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.