

FOR KCC USE:

FORM C-1 7/91

EFFECTIVE DATE: 12-8-98

FORM MUST BE TYPED

DISTRICT # 4

State of Kansas
NOTICE OF INTENTION TO DRILL

FORM MUST BE SIGNED

SEAT 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 December 12, 1998
month day year

Spot 80 N of
App C NE Sec 5 Twp 3S S, Rg 22 East West

OPERATOR: License # 30425
Name: DNR Oil & Gas Inc.
Address: 655 Broadway - Suite 525
City/State/Zip: Denver, CO 80203
Contact Person: Charles B. Davis
Phone: (303) 825-8956

1240 feet from South / North line of Section
1320 feet from East / West line of Section
IS SECTION X REGULAR IRREGULAR?

CONTRACTOR: License #: 30606
Name: Murfin Drilling Company

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

County: Norton
Lease Name: Greying Well #: 10-5
Field Name: Wildcat

Well Drilled For: Well Class: Type Equipment:
X Oil ... Enh Rec ... Infield X Mud Rotary
... Gas ... Storage ... Pool Ext. ... Air Rotary
... OWWO ... Disposal X Wildcat ... Cable
... Seismic; ... # of Holes ... Other

Is this a Prorated/Spaced Field? ... yes X no
Target Formation(s): Arbuckle
Nearest lease or unit boundary: 1240'
Ground Surface Elevation: 2267 feet MSL

If OWWO: old well information as follows:
Operator:
Well Name:
Comp. Date: Old Total Depth

Water well within one-quarter mile: ... yes X no
Public water supply well within one mile: ... yes X no
Depth to bottom of fresh water: 200' +/-
Depth to bottom of usable water: 450' +/- 1220'

Directional, Deviated or Horizontal wellbore? ... yes X no
If yes, true vertical depth:
Bottom Hole Location:

Surface Pipe by Alternate: ... 1 X 2 B/DAKOTA
Length of Surface Pipe Planned to be set: 240' 250' MIN.
Length of Conductor pipe required:
Projected Total Depth: 3800' +/-

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 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: November 30, 1998
Signature of Operator or Agent: Charles B. Davis Title: President

FOR KCC USE:
API # 15- 137-204090000
Conductor pipe required NONE feet
Minimum surface pipe required 250 feet per Alt. X(2)
Approved by: JK 12-3-98
This authorization expires: 6-3-99
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: Agent:

RECEIVED
KANSAS CORPORATION COMMISSION
DEC 02 1998
CONSERVATION DIVISION
WICHITA, KS

REMEMBER TO:

- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form A-0-1 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: Conservation Division, 200 Colorado Derby Building, 202 W. First St., Wichita, Kansas 67202-1286.

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.

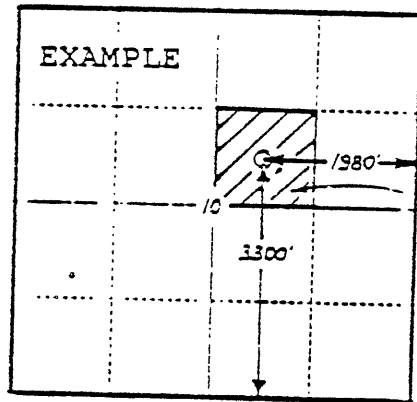
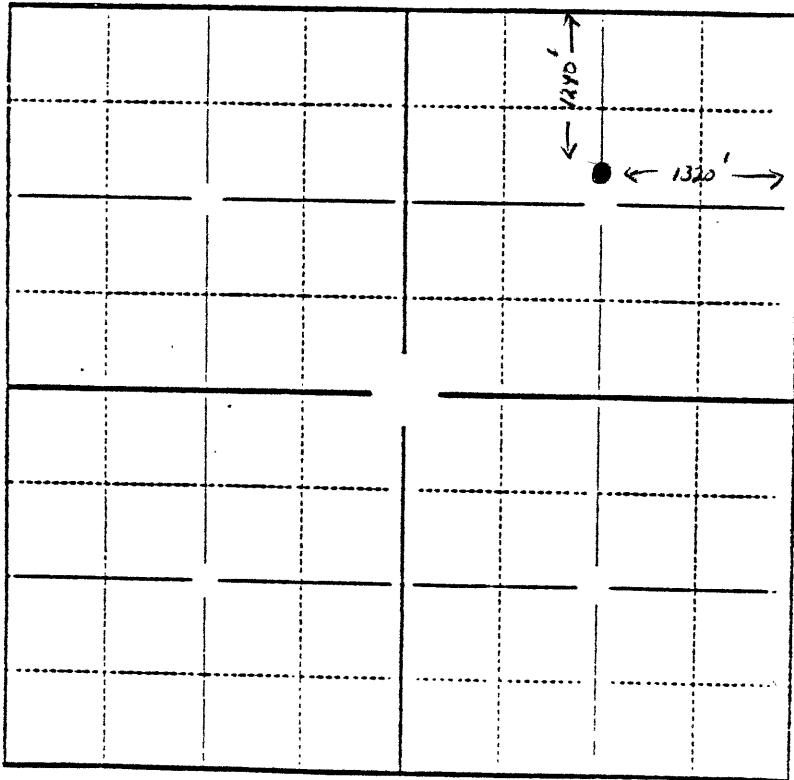
API NO. 15- _____
 OPERATOR _____ LOCATION OF WELL: COUNTY _____
 LEASE _____ feet from south/north line of section _____
 WELL NUMBER _____ feet from east/west line of section _____
 FIELD _____ SECTION _____ TWP _____ RG _____

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.)



40 ACRES

SEWARD CO.

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.