

For KCC Use: Effective Date: 8.4.05 District # 1 SGA?  Yes  No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form C-1 September 1999 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

Expected Spud Date 8-25-2004 month day year

OPERATOR: License# 5474 Name: NORTHERN LIGHTS OIL CO., LC Address: P.O. BOX 164 City/State/Zip: ANDOVER, KS 67002 Contact Person: Kurt Smith Phone: 316-733-1515 CONTRACTOR: License# Mallard JV Name: 4958

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Spot App. 140' N & 170' E of E/2 - NW - NW Sec. 16 Twp. 17 S. R. 22  East  West 520 feet from 5 (N) (circle one) Line of Section 1160 feet from 5 (W) (circle one) Line of Section Is SECTION  Regular  Irregular?

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

County: Ness Lease Name: DELBERT Well #: 1 Field Name: WC Is this a Prorated / Spaced Field?  Yes  No Target Formation(s): CHEROKEE Nearest Lease or unit boundary: 520' Ground Surface Elevation: WILL FILL IN ON ACO1 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: 180 Depth to bottom of usable water: 900 Surface Pipe by Alternate: 1 X 2 Length of Surface Pipe Planned to be set: 255 Length of Conductor Pipe required: NONE Projected Total Depth: 4200' Formation at Total Depth: Mississippian Water Source for Drilling Operations: Well  Farm Pond  Other  DWR Permit #:  Will Cores be taken?  Yes  No If Yes, proposed zone: \_\_\_\_\_

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

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 #: \_\_\_\_\_

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: 7-29-04 Signature of Operator or Agent: \_\_\_\_\_ Title: EXPLORATION MANAGER

For KCC Use ONLY API # 15 - 135 - 24301-00-00 Conductor pipe required NONE feet Minimum surface pipe required 200 feet per Alt. + (2) Approved by: RJP 7.30.04 This authorization expires: 1-30-05 (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.

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

16 17 22W

**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 - \_\_\_\_\_  
 Operator: \_\_\_\_\_  
 Lease: \_\_\_\_\_  
 Well Number: \_\_\_\_\_  
 Field: \_\_\_\_\_  
 Number of Acres attributable to well: \_\_\_\_\_  
 QTR / QTR / QTR of acreage: E/2 - NW - NW

Location of Well: County: Ness  
 520 \_\_\_\_\_ feet from S (N) (circle one) Line of Section  
 1160 \_\_\_\_\_ feet from E (W) (circle one) Line of Section  
 Sec. 16 Twp. 17 S. R. 22  East  West

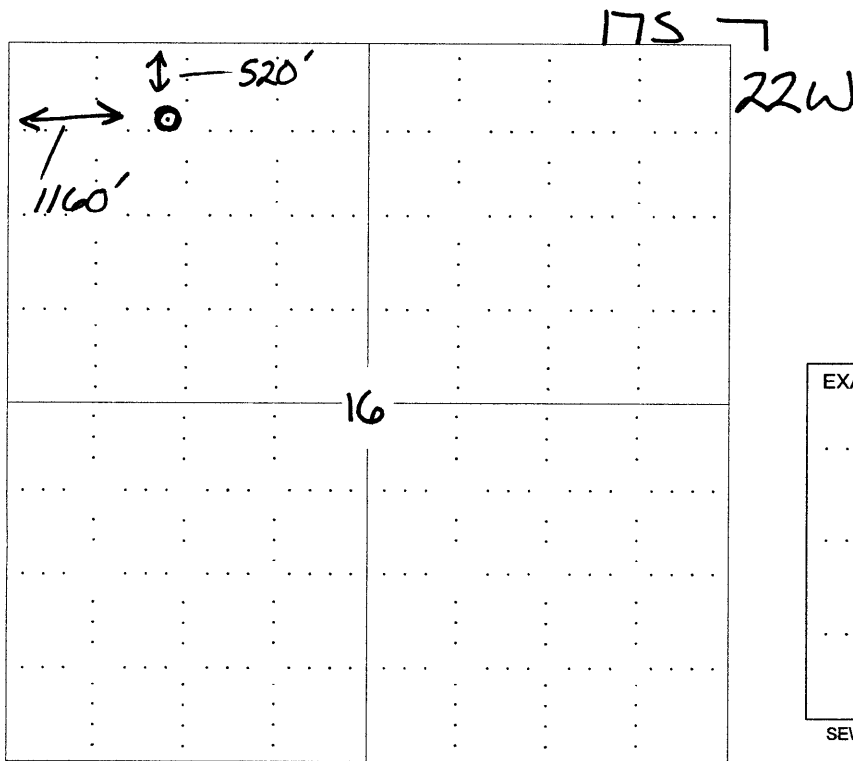
Is Section  Regular or  Irregular

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

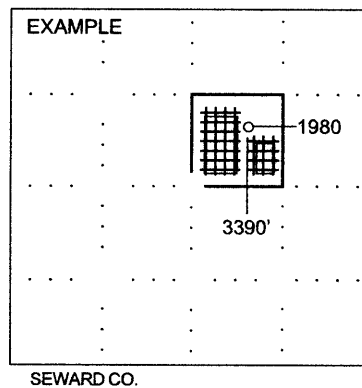
Section corner used:  NE  NW  SE  SW

**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.)*



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

**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: (C0-7 for oil wells; CG-8 for gas wells).