

EFFECTIVE DATE: 9-14-99
DISTRICT # 4
SGA? Yes No

State of Kansas
NOTICE OF INTENTION TO DRILL

FORM MUST BE TYPED
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 September 20 1999
month day year

Spot SE - SE - SW Sec 5 Twp 1 S, Rg 18 W East West

OPERATOR: License # 5352
Name: BAIRD OIL COMPANY, INC.
Address: P.O. Box 428
City/State/Zip: Logan, Kansas 67646-0428
Contact Person: Jim R. Baird
Phone: (785) 689-7456

330 feet from South ~~North~~ line of Section
2970 feet from East ~~West~~ line of Section
IS SECTION REGULAR IRREGULAR?

CONTRACTOR: License #: 31548
Name: Discovery Drilling Co., Inc.

(NOTE: Locate well on the Section Plat on Reverse Side)
County: Phillips
Lease Name: Gebhard A Well #: 1
Field Name: (UN-NAMED)

Well Drilled For:	Well Class:	Type Equipment:
<input checked="" type="checkbox"/> Oil	... Enh Rec	... Infield <input checked="" type="checkbox"/> Mud Rotary
... Gas	... Storage	<input checked="" type="checkbox"/> Pool Ext. ... Air Rotary
... OWWO	... Disposal	... Wildcat ... Cable
... Seismic; ... # of Holes	... Other	
... Other		

Is this a Prorated/Spaced Field? ... yes no
Target Formation(s): Lansing KC
Nearest lease or unit boundary: 330'

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

Ground Surface Elevation: 2100 Est. 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'

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

Depth to bottom of usable water: 1250'
Surface Pipe by Alternate: ... 1 2
Length of Surface Pipe Planned to be set: 225'
Length of Conductor pipe required: None

Projected Total Depth: 3400'
Formation at Total Depth: Lansing KC
Water Source for Drilling Operations:
... well farm pond ... other

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

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: 9/3/99 Signature of Operator or Agent: [Signature] Title: Agent

FOR KCC USE:
API # 15- 147-205910000
Conductor pipe required NONE feet
Minimum surface pipe required 200 feet per Alt. (2)
Approved by: [Signature] 9-9-99
This authorization expires: 3-9-2000
(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.

RECEIVED
KANSAS CORP. DIV.
9-08-99
5 1 18W

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

PLAT OF ACREAGE ATTRIBUTABLE TO A WELL IN A PRORATED OR SPACED FIELD

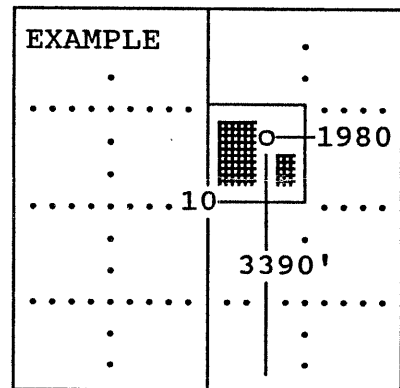
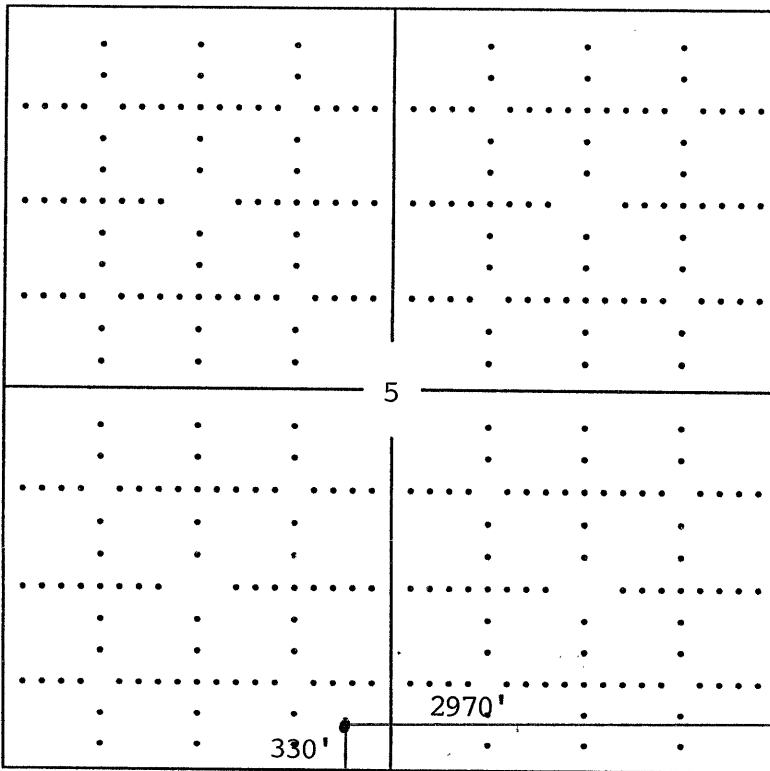
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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 BAIRD OIL COMPANT, INC. LOCATION OF WELL: COUNTY Phillips
 LEASE Gebhard "A" 330 feet from south/~~north~~ line of section
 WELL NUMBER 1 2970 feet from east/~~west~~ line of section
 FIELD _____ SECTION 5 TWP 1s RG 18w

NUMBER OF ACRES ATTRIBUTABLE TO WELL 160 IS SECTION X 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.)



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; and
- 3) the distance to the nearest lease or unit boundary line.