Effective Date:_

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

Must be approved by k	KCC five (5) days prior to commencing well	All blattes must be Filled
Expected Spud Date February 28, 2005	Spot	East
month day year	NV - NW - SW Sec. 10 Twp. 23	
OPERATOR: License# 9855		S Line of Section
Name: Grand Mesa Operating Company	reet fromE /	✓ W Line of Section
Address: 200 E. First St., Ste 307	Is SECTION ✓ RegularIrregular?	
City/State/Zip: Wichita, KS 67202	(Note: Locate well on the Section Plat of	on reverse side)
Contact Person: Ronald N. Sinclair	County: Reno	
Phone: 316-265-3000	Lease Name: Miller	Well #: 1-10
CONTRACTOR: License# 5123	Field Name: Wildcat	
Diekrall Drilling Co. Inc.	Is this a Prorated / Spaced Field?	✓ Yes No
Name: Pickreii Drilling Co., Inc.	Target Formation(s): Arbuckle	
Well Drilled For: Well Class: Type Equipment;	. Nearest Lease or unit boundary: 330'	
✓ Oil Enh Rec Infield ✓ Mud Rotary	Ground Surface Elevation: 1765'	feet MSL
	Water well within one-quarter mile:	✓ Yes No
Gas Storage Pool Ext. Air Rotary OWWO Disposal ✓ Wildcat Cable	Public water supply well within one mile:	Yes ✓ No
Seismic;# of Holes Other	Depth to bottom of fresh water:	
	Depth to bottom of usable water:	
Other	Surface Pipe by Alternate: 1 2	
If OWWO: old well information as follows:	Length of Surface Pipe Planned to be set: 22	9'
Operator:	Length of Conductor Pipe required: None	
Well Name:	Projected Total Depth: _3800'	
Original Completion Date: Original Total Depth:	Formation at Total Depth: Arbuckle	
	Water Source for Drilling Operations:	
Directional, Deviated or Horizontal wellbore?	Tamillolia Other	
If Yes, true vertical depth:		
Bottom Hole Location:	(Note: Apply for Permit with DW	
KCC DKT #:	Will Cores be taken?	Yes ✓ No
* Unit Information Attached	If Yes, proposed zone:	DECENTED
	AFFIDAVIT	RECEIVED
The undersigned hereby affirms that the drilling, completion and ev		^{q.} FEB 2 3 2005
It is agreed that the following minimum requirements will be met:	, , , , , , , , , , , , , , , , , , ,	, LED 5 3 5003
Notify the appropriate district office prior to spudding of well	di-	KCC WICHITA
2. A copy of the approved notice of intent to drill shall be poste		NOC WICHIA
3. The minimum amount of surface pipe as specified below sh		ace pipe shall be set
through all unconsolidated materials plus a minimum of 20 fe		
4. If the well is dry hole, an agreement between the operator a		ssary <i>prior to plugging</i> ;
 The appropriate district office will be notified before well is ei. If an ALTERNATE II COMPLETION, production pipe shall be 		120 dave of soud date
Or pursuant to Appendix "B" - Eastern Kansas surface casi		
must be completed within 30 days of the spud date or the w		
I hereby certify that the statements made herein are true and to the	he best of my knowledge and belief.	
\ \	The whole in the	
Date: February 21, 2005 Signature of Operator or Agent:	Title: Presid	lent
	Remember to:	
For KCC Use ONLY	- File Drill Pit Application (form CDP-1) with Intent	to Drill:
API # 15 - 155 - 21485-00-00	- File Completion Form ACO-1 within 120 days of	
	- File acreage attribution plat according to field p	
Conductor pipe required NONE feet	- Notify appropriate district office 48 hours prior to	
Minimum surface pipe required 200 feet per Alt.	<u> </u>	1
Approved by: RSP 3.2.0 5	- Obtain written approval before disposing or inje	ecting salt water.
This authorization expires: 9.2.05	- If this permit has expired (See: authorized expire	ration date) please
(This authorization void if drilling not started within 6 months of effective	check the box below and return to the address	
	Well Not Drilled - Permit Expired	1
Spud date:Agent:	Signature of Operator or Agent:	
	Date:	
Mall to KOO Company No. District	ion 120 C Market Boom 2070 Wishita Kanasa 67202	S

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plat of acreage attributable to a well in a prorated or spaced field

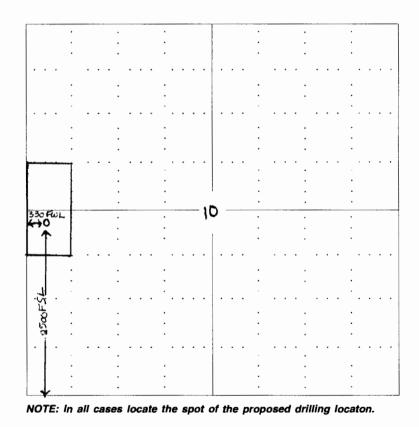
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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	Location of Well: County: Reno
Operator: Grand Mesa Operating Company	feet from N / 🗸 S Line of Section
Lease: Miller	330 feet from E / W Line of Section
Well Number:1-10 Field: Wildcat	Sec. 10 Twp. 23 S. R. 10 East ✓ Wes
Number of Acres attributable to well: 20 acres	Is Section: 📝 Regular or 🗌 Irregular
QTR / QTR of acreage: NW - NW - SW &	If Section is Irregular, locate well from nearest corner boundary.
SW SW NW	Section corner used:NENWSESW

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. RECEIVED
FFB 2 3 2005

KCC WICHITA

EXAMPLE

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.
- 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).

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR
BRIAN J. MOLINE, CHAIR
ROBERT E. KREHBIEL, COMMISSIONER
MICHAEL C. MOFFET, COMMISSIONER

March 2, 2005

Mr. Ronald N. Sinclair Grand Mesa Operating Company 200 E. First St. Ste 307 Wichita, KS 67202

Re:

Drilling Pit Application Miller Lease Well No. 1-10 SW/4 Sec. 10-23S-10W Reno County, Kansas

Dear Mr. Sinclair:

District staff has inspected the location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has instructed that no earthen pits are to be used at the location. Steel pits are to be used. Please inform the Commission in writing as to which disposal well you will utilize to dispose of the contents in the steel pits and the amount of fluid which will be disposed.

Should a haul-off pit be necessary, please complete the enclosed CDP-1. This location will have to be inspected prior to approval of the haul-off pit application.

Sincerely,

Kathy Haynes

Environmental Protection and Remediation Department

Cc: D Louis