

EFFECTIVE DATE: 11-8-97

State of Kansas

FORM MUST BE TYPE

DISTRICT # 4

NOTICE OF INTENTION TO DRILL

FORM MUST BE SIGNED

SPAT Yes X No

ALL BLANKS MUST BE FILLED

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

Expected Spud Date Dec 1, 1997 (AMENDED FOR SPOT LOC.) Spot 30' N & 110' E of W/2SW-NW Sec 10 Twp 7S S. Rg 23W - Eas month day year

OPERATOR: License # 04941 Name: Union Valley Petroleum Corporation Address: R.R. 4, Box 120-Y City/State/Zip: Enid, Ok 73701 Contact Person: Paul Youngblood Phone: 580-237-3959

CONTRACTOR: License # 31548 Name: Discovery Drilling

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

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

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

* 1950' feet from South / North line of Section 440' feet from East / West line of Section IS SECTION X REGULAR IRREGULAR (NOTE: Locate well on the Section Plat on Reverse Side County: Graham Lease Name: Fountian Well #: #1 Field Name: Wildcat Is this a Prorated/Spaced Field? yes X no Target Formation(s): Lansing Nearest lease or unit boundary: 440' Ground Surface Elevation: 2896 feet MS Water well within one-quarter mile: X yes Public water supply well within one mile: yes X Depth to bottom of fresh water: 150 Depth to bottom of usable water: 1250 Surface Pipe by Alternate: 2 XX Length of Surface Pipe Planned to be set: 210' Length of Conductor pipe required: N/A Projected Total Depth: 3900' Formation at Total Depth: Lansing Water Source for Drilling Operations: well XX, farm pond, othe DWR Permit #: 5 acre draw ft exempt Will Cores Be Taken?: yes X 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:

* SPOT WAS: 220'S E 220'W OF SW NW SPOT IS: 30' N & 110' E OF W/2 SW NW * WAS: 2200' FNL IS: 1950' FNL

- 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 case 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 DAY 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: 4/28/98 Signature of Operator or Agent: Title: President

FOR KCC USE: API # 15- 065-22790 0000 Conductor pipe required NONE feet Minimum surface pipe required 200 feet per Alt. X(2) Approved by: COR 6-12-98/0216 11-3-97 X This authorization expires: 5-3-98 (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: Conservation Division, 200 Colorado Derby Building, 202 W. First St., Wichita, Kansas 67202-1286.

10 7 23W

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 _____
 LEASE _____
 WELL NUMBER _____
 FIELD _____

LOCATION OF WELL: COUNTY _____
 _____ feet from south/north line of section
 _____ feet from east/west line of section
 SECTION _____ TWP _____ RG _____

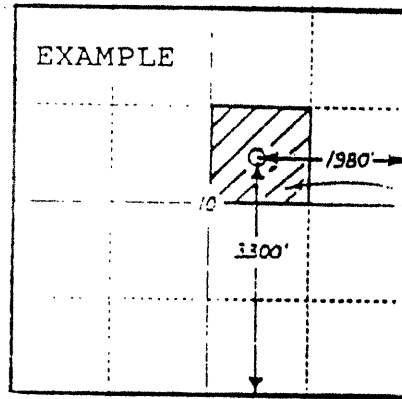
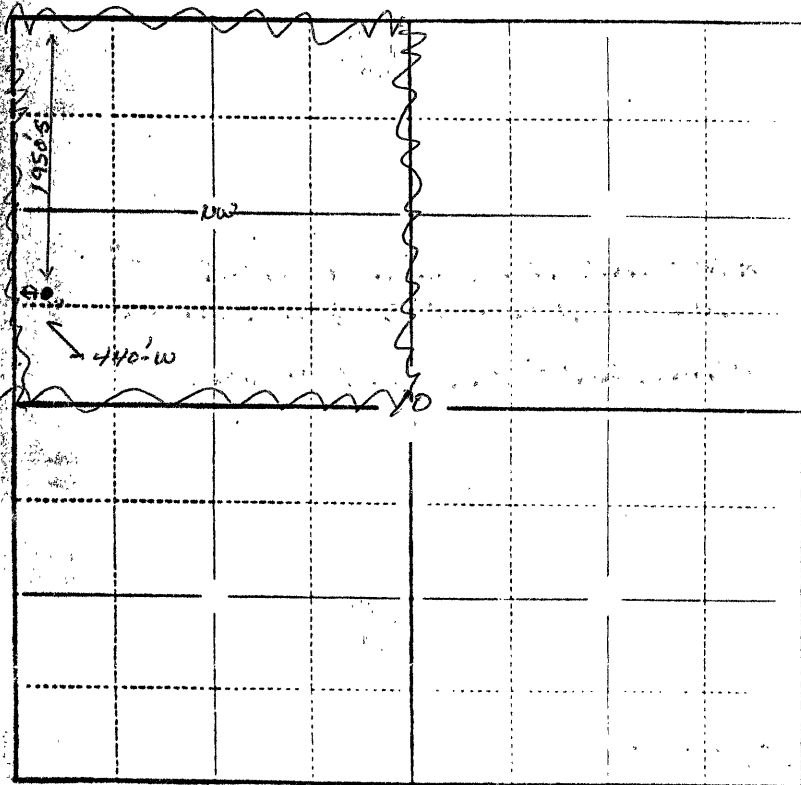
NUMBER OF ACRES ATTRIBUTABLE TO WELL _____
 QTR/QTR/QTR OF ACREAGE _____

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.)



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.