

FOR KCC USE:

EFFECTIVE DATE: 9-10-97

DISTRICT # 4

SEAT, X, Yes, No

FORM C-1 7/91

FORM MUST BE TYPED

FORM MUST BE SIGNED

ALL BLANKS MUST BE FILLED

State of Kansas

NOTICE OF INTENTION TO DRILL

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

Expected Spud Date September 15, 1997

Spot SE - SE - SE. Sec 35. Twp 8. S. Rg 12. East West

OPERATOR: License # 3956 Name: Brungardt, Oil & Leasing Co. Address: PO Box 871 City/State/Zip: Russell, KS 67665 Contact Person: Gary L. Brungardt Phone: 913-483-4975

330 feet from South / North line of Section 330 feet from East / West line of Section IS SECTION XX REGULAR IRREGULAR?

CONTRACTOR: License #: 5184 Name: Shields Drilling Co.

(NOTE: Locate well on the Section Plat on Reverse Side) County: Osborne Lease Name: Bonnie Thompson Well #: L Field Name: Cheyenne Gap North-Wildcat Is this a Prorated/Spaced Field? yes XX. no Target Formation(s): Kansas City Nearest lease or unit boundary: 330' Ground Surface Elevation: 1774 feet MSL

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

Water well within one-quarter mile: yes XX. no Public water supply well within one mile: yes XX. no Depth to bottom of fresh water: 180 Depth to bottom of usable water: 620 Surface Pipe by Alternate: 1 XX. 2 Length of Surface Pipe Planned to be set: 200 Length of Conductor pipe required: None Projected Total Depth: 3400 Formation at Total Depth: Kansas City Water Source for Drilling Operations: well XXX farm pond other

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

DWR Permit #: Will Cores Be Taken?: yes XX. 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: 9-2-1997 Signature of Operator or Agent: Gary L. Brungardt Title: Owner

FOR KCC USE: API # 15- 141-203390000 Conductor pipe required NONE feet Minimum surface pipe required 200 feet per Alt. X(2) Approved by: JK 9-5-97 This authorization expires: 3-5-98 (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.

Handwritten notes and stamps including '35', '8', '1735', and a date stamp '9-5-97'.

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

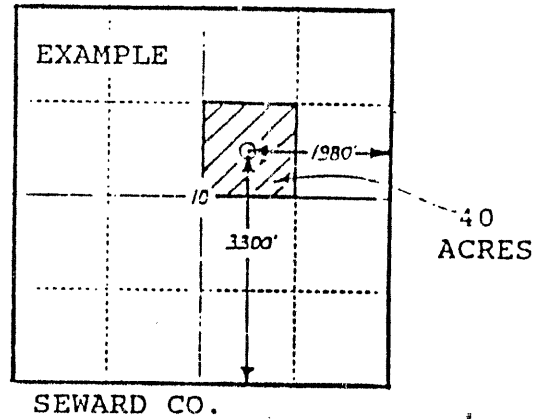
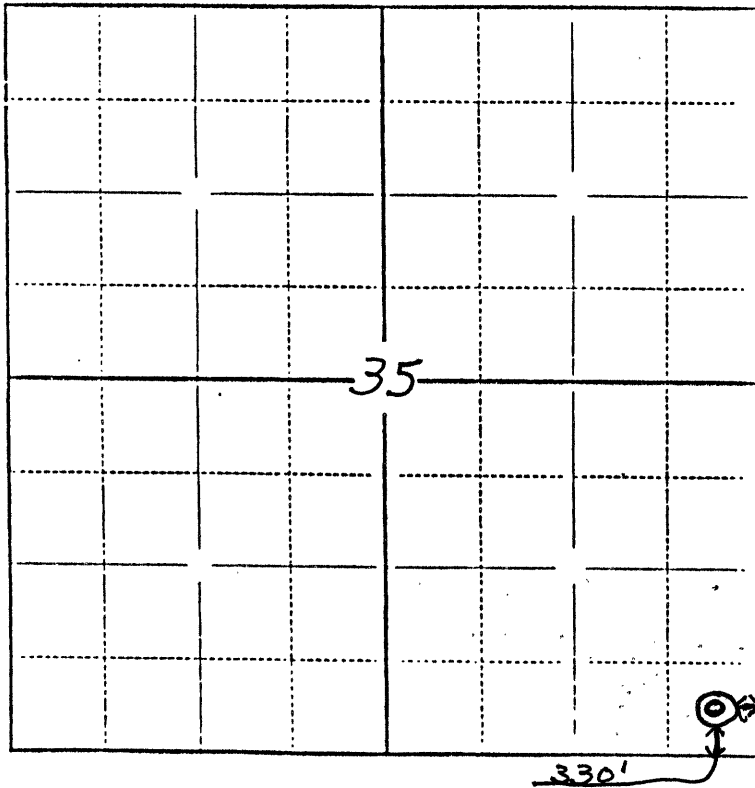
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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.)



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.