

FOR KCC USE:

FORM C-1 7/91

FORM MUST BE TYPED

FORM MUST BE SIGNED

ALL BLANKS MUST BE FILLED

EFFECTIVE DATE: 7-10-96

State of Kansas

DISTRICT # 4

NOTICE OF INTENTION TO DRILL

SEAT... Yes... No

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

Expected Spud Date July 5 1996
month day year

Spot NE NE SE Sec 11 Twp 10S S, Rg 12W East West

OPERATOR: License # 6246
Name: Bennett & Schulte Oil Company
Address: P.O. Box 329
City/State/Zip: Russell, KS 67665
Contact Person: Frank Schulte
Phone: 913-483-2721

2310 feet from South North line of Section
330 feet from East West line of Section
IS SECTION X REGULAR IRREGULAR?

(NOTE: Locate well on the Section Plat on Reverse Side)

County: Osborne
Lease Name: Applegate Well #: 1
Field Name: NA

CONTRACTOR: License #: 9431
Name: Vonfeldt Drilling Company

Is this a Prorated/Spaced Field? yes X no

Target Formation(s): Lansing

Nearest lease or unit boundary: 330

Ground Surface Elevation: Est. 1780 feet MSL

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: 430 580

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: 3300

Formation at Total Depth: Lansing Kansas City

Water Source for Drilling Operations:

... well XX farm pond ... other

DWR Permit #: ...

Will Cores Be Taken? ... yes ... no

If yes, proposed zone: ...

Well Drilled For: Well Class: Type Equipment:

XX Oil ... Enh Rec ... Infield XX Mud Rotary
... Gas ... Storage ... Pool Ext. ... Air Rotary
... OWWO ... Disposal XX Wildcat ... Cable
... Seismic; ... # of Holes ... Other
... Other

If OWWO: 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: ...

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: 7/2/96 Signature of Operator or Agent: Frank Schulte Title: Partner

FOR KCC USE:
API # 15- 141-203700000
Conductor pipe required NONE feet
Minimum surface pipe required 200 feet per Alt. X(2)
Approved by: JK 7-5-96
This authorization expires: 1-5-97
(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 ACD-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.

RECEIVED
ANSAS CORP OMA
1996 JUL -5 A 11:37

11
10
12W

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

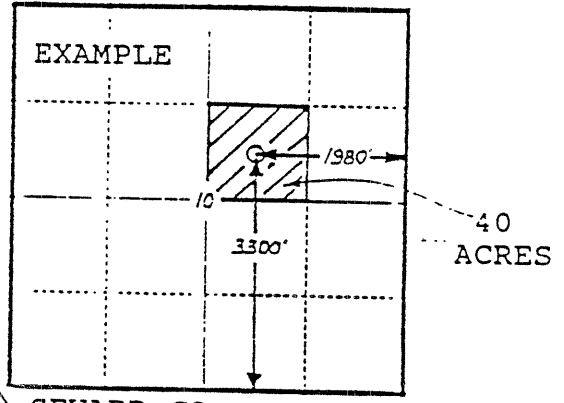
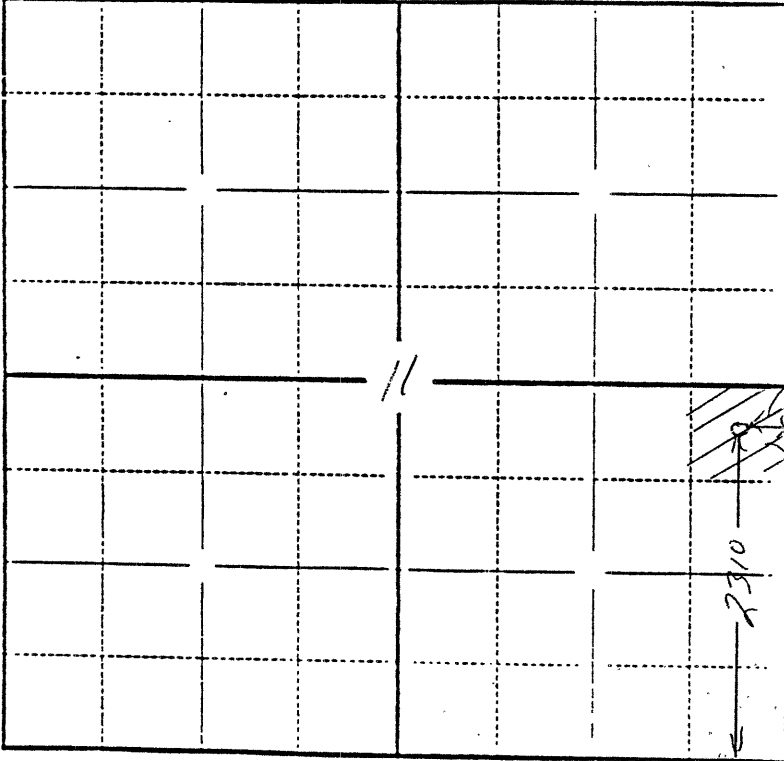
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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 Bennett & Schulte Oil Company LOCATION OF WELL: COUNTY Osborne
LEASE Applegate _____ 2310 feet from south/north line of section
WELL NUMBER 1 _____ 330 feet from east/west line of section
FIELD NA _____ SECTION 11 TWP 10S RG 12W

NUMBER OF ACRES ATTRIBUTABLE TO WELL 10 IS SECTION XX REGULAR or _____ IRREGULAR
QTR/QTR/QTR OF ACREAGE NE - NE - SE 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.
10 Acres

1 Section Osborne Co., KS.

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.