

EFFECTIVE DATE: 3-3-99

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 February 27 1999
month day year

Spot 20'S & 10'W of
... C. W/2 SW Sec 33 Twp 8S, Rg 26W East
 West

OPERATOR: License # 6622 ✓
Name: JASON OIL COMPANY
Address: P.O. Box 701
City/State/Zip: Russell, Kansas 67665
Contact Person: J.L. Schoenberger
Phone: (785) 483-4204

1300 feet from South ~~East~~ line of Section ✓
650 feet from ~~East~~ West line of Section ✓
IS SECTION REGULAR IRREGULAR?

(NOTE: Locate well on the Section Plat on Reverse Side)
County: Sheridan
Lease Name: Pratt Well #: 2
Field Name: _____

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

Is this a Prorated/Spaced Field? ... yes no
Target Formation(s): Lansing KC
Nearest lease or unit boundary: 650' ✓

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

Ground Surface Elevation: 2520 Est. feet MSL
Water well within one-quarter mile: ... yes no
Public water supply well within one mile: ... yes no

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

Depth to bottom of fresh water: 150' ✓
Depth to bottom of usable water: 1300' ✓
Surface Pipe by Alternate: ... 1 2

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

Length of Surface Pipe Planned to be set: 200'
Length of Conductor pipe required: None
Projected Total Depth: 4000' ✓

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: Feb. 25, 1999 Signature of Operator or Agent: [Signature] Title: Agent

FOR KCC USE:
 API # 15- 179-21095-00-00
 Conductor pipe required NONE feet
 Minimum surface pipe required 200' feet per Alt. 2
 Approved by: DPW 2-26-99

This authorization expires: 8-26-99
 (This authorization void if drilling not started within 6 months of effective date.)
 Spud date: _____ Agent: _____

RECEIVED
KANSAS CORPORATION COMMISSION

FEB 26 1999
02-26-1999
CONSERVATION DIVISION
WICHITA, KS

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.

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 JASON OIL COMPANY
 LEASE Pratt
 WELL NUMBER 2
 FIELD _____

LOCATION OF WELL: COUNTY Sheridan
1300 feet from south/~~XXXX~~ line of section
650 feet from ~~XXXX~~ west line of section
 SECTION 33 TWP 8s RG 26w

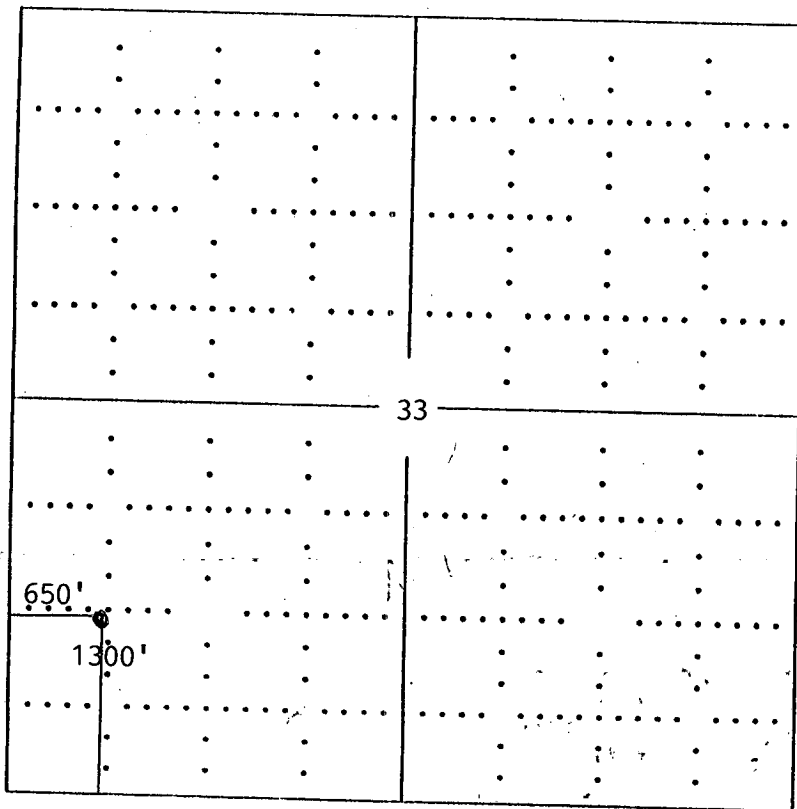
NUMBER OF ACRES ATTRIBUTABLE TO WELL _____
 QTR/QTR/QTR OF ACREAGE _____

IS SECTION X REGULAR or _____ IRREGULAR
IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST CORNER BOUNDARY.

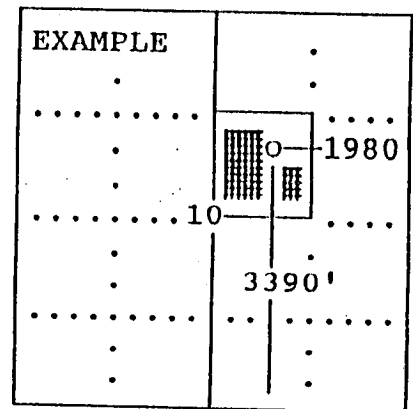
Section corner used: _____ NE _____ NW _____ SE _____ SW

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.)



Sheridan Co.



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.