

FOR KCC USE:

* WEBSTER FLOW AREA AT ELEVATION APPROX. 1920' M.S.L.

FORM C-1 7/91 FORM MUST BE TYPED FORM MUST BE SIGNED ALL BLANKS MUST BE FILLED

EFFECTIVE DATE: 9-6-94

State of Kansas

DISTRICT # 4

NOTICE OF INTENTION TO DRILL

SGA? Yes No

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

Expected Spud Date September 15, 1994 month day year

Spot SW SE SW Sec 16 Twp 8 S Rg 19 East West

OPERATOR: License # 7076 Name: Black Diamond Oil, Inc. Address: P.O. Box 641 City/State/Zip: Hays, KS 67601 Contact Person: Kenneth Vehige Phone: 913-625-5891

330 feet from South / North line of Section 2970 feet from East / West line of Section IS SECTION X REGULAR IRREGULAR? (NOTE: Locate well on the Section Plat on Reverse Side)

CONTRACTOR: License #: 8241 Name: Emphasis Oil Operations

County: Rooks Lease Name: Lowry Well #: 1 Field Name: Webster

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

Is this a Prorated/Spaced Field? yes X no Target Formation(s): Arbuckle Nearest lease or unit boundary: 330 Ground Surface Elevation: 2050 feet MSL Water well within one-quarter mile: yes X no Public water supply well within one mile: yes X no Depth to bottom of fresh water: 380 Depth to bottom of usable water: 150 800 Surface Pipe by Alternate: 1 X 2 Length of Surface Pipe Planned to be set: 200 Length of Conductor pipe required: N/A Projected Total Depth: 3500 Formation at Total Depth: Arbuckle Water Source for Drilling Operations: well X farm pond other DWR Permit #: Will Cores Be Taken?: yes X no If yes, proposed zone:

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

Directional, Deviated or Horizontal wellbore? yes X 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: 9-1-94 Signature of Operator or Agent Title: Owner/Operator

FOR KCC USE: API # 15- 163-23248-00-00 Conductor pipe required NONE feet Minimum surface pipe required 200 feet per Alt. X O Approved by: CB 9-2-94 This authorization expires: 3-2-95 (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 67202-1216.

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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 Black Diamond Oil, Inc.
 LEASE Lowry
 WELL NUMBER 1
 FIELD Webster

LOCATION OF WELL: COUNTY Rooks
330 feet from south/north line of section
2970 feet from east/west line of section
 SECTION 16 TWP 8S RG 19W

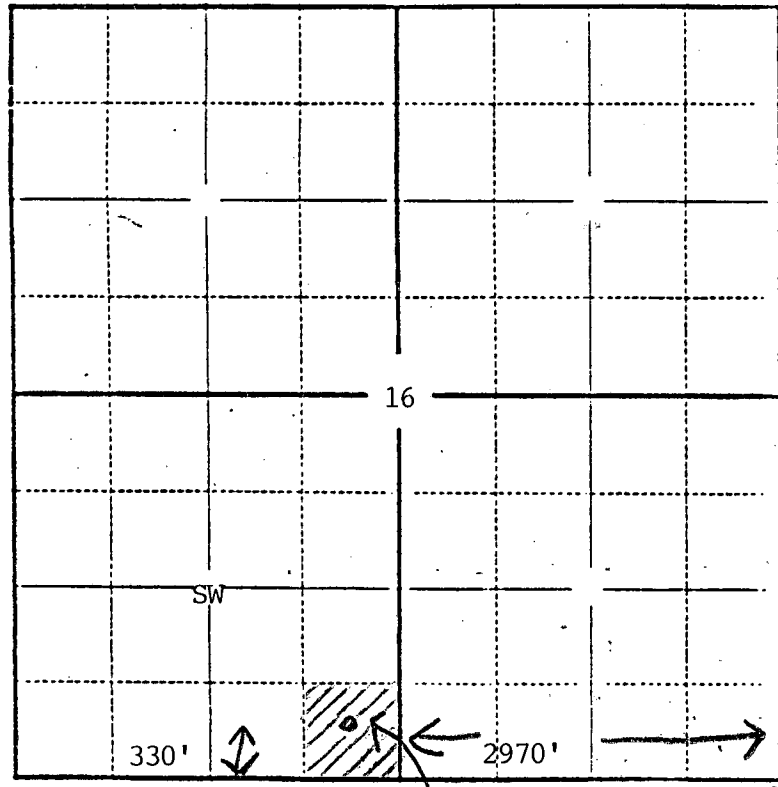
NUMBER OF ACRES ATTRIBUTABLE TO WELL 10
 QTR/QTR/QTR OF ACREAGE SW - SE - SW

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

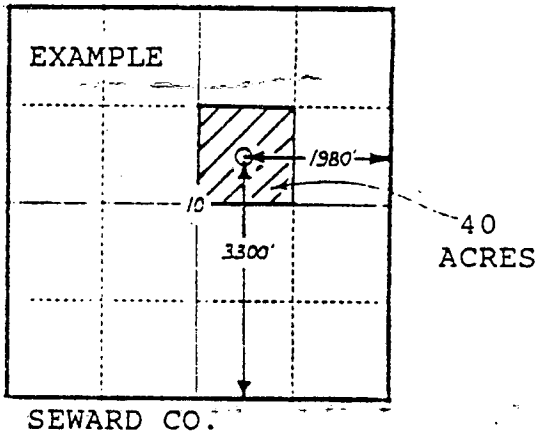
Section corner used: NE NW X SE SW

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.)



10 Acres



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.