

FOR KCC USE:

EFFECTIVE DATE: 9-7-99

DISTRICT # 4

SGA? Yes No

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 9 10 99
month day year

Spot SE NW NE Sec 3 Twp 10 S, Rg 16 East West

OPERATOR: License # 6627
Name: Prospect Oil & Gas
Address: P.O. Box 837
City/State/Zip: Russell, KS 67665
Contact Person: Brad Hutchinson
Phone: 785-483-6266

4290 feet from South North line of Section
1650 feet from East West line of Section
IS SECTION REGULAR IRREGULAR?

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

CONTRACTOR: License # 9431
Name: Vonfeldt Drilling, Inc

Lease Name: Becker Well #: A-1
Field Name: KRUSE

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

Is this a Prorated/Spaced Field? ... yes no
Target Formation(s): LKC/Arbuckle

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

Nearest lease or unit boundary: 1970 Est. feet MSL
Ground Surface Elevation: _____

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

Water well within one-quarter mile: ... yes no
Public water supply well within one mile: ... yes no

Depth to bottom of fresh water: 180
Depth to bottom of usable water: 670

Surface Pipe by Alternate: ... 1 2
Length of Surface Pipe Planned to be set: 200

Length of Conductor pipe required: -0-
Projected Total Depth: 3600

Formation at Total Depth: Arbuckle
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: 8-31-99 Signature of Operator or Agent: Sherry Payne Title: Agent

FOR KCC USE:
API # 15- 163-233070000
Conductor pipe required NONE feet
Minimum surface pipe required 200 feet per Alt. (2)
Approved by: SK 9-2-99
This authorization expires: 3-2-2000
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: _____ Agent: _____

RECEIVED
KANSAS CORP COMM
1999 SEP -2 A 11:45
9/2/99
3 10 160

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 _____

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 _____

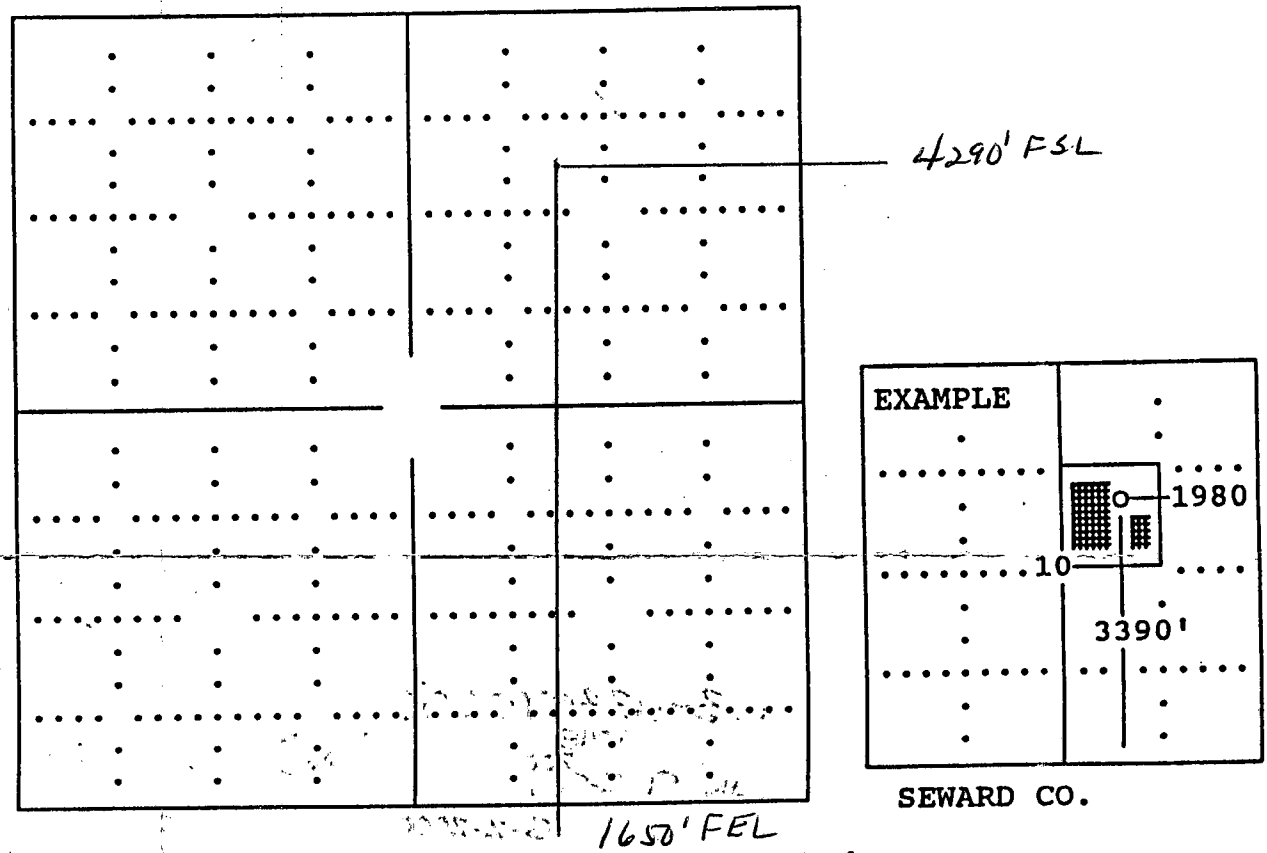
IS SECTION _____ REGULAR or _____ IRREGULAR

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.)



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.