

FOR KCC USE:

FORM MUST BE TYPED
FORM MUST BE SIGNED
ALL BLANKS MUST BE FILLED

EFFECTIVE DATE: 6-8-97
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 June 6, 1997
month day year

Spot SW NW Sec 35 Twp 9 S, Rg 23 East West

OPERATOR: License # 5363
Name: BEREXCO, Inc
Address: 100 N. Broadway, Suite 970
City/State/Zip: Wichita, KS 67202
Contact Person: Leon Rodak
Phone: (316) 265-3311

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: Graham

CONTRACTOR: License #: 5363
Name: BEREXCO, Inc

Lease Name: Rice-UPR Well #: 1
Field Name: Law

Is this a Prorated/Spaced Field? ... yes X no

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

Target Formation(s): LKC
Nearest lease or unit boundary: 330

Ground Surface Elevation: 2446 feet MSL
Water well within one-quarter mile: ... yes X no

If O/W/O: old well information as follows:
Operator: Champlin
Well Name: Clara E. Rice #1
Comp. Date: 06/10/51 Old Total Depth 4000

Public water supply well within one mile: ... yes X no
Depth to bottom of fresh water: 180 150

Depth to bottom of usable water: 1150
Surface Pipe by Alternate: ... 1 X 2

Length of Surface Pipe Planned to be set: 191
Length of Conductor pipe required: NA

Projected Total Depth: 4000
Formation at Total Depth: LKC

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

Water Source for Drilling Operations:
... well ... farm pond X other

Will Cores Be Taken?: ... yes X 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:

RECEIVED
STATE CORPORATION COMMISSION
6-2-97 JUN 2 1997
CONSERVATION DIVISION
Wichita, Kansas

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: 5/30/97 Signature of Operator or Agent: [Signature] Title: Division Production Engr

FOR KCC USE:
API # 15- 065-034350000
Conductor pipe required NONE feet
Minimum surface pipe required 191 feet per Alt. X(2)
Approved by: [Signature] 6-3-97
This authorization expires: 12-3-97
(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 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.

35
9
2310

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.

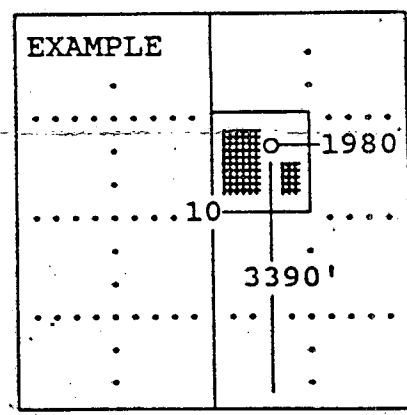
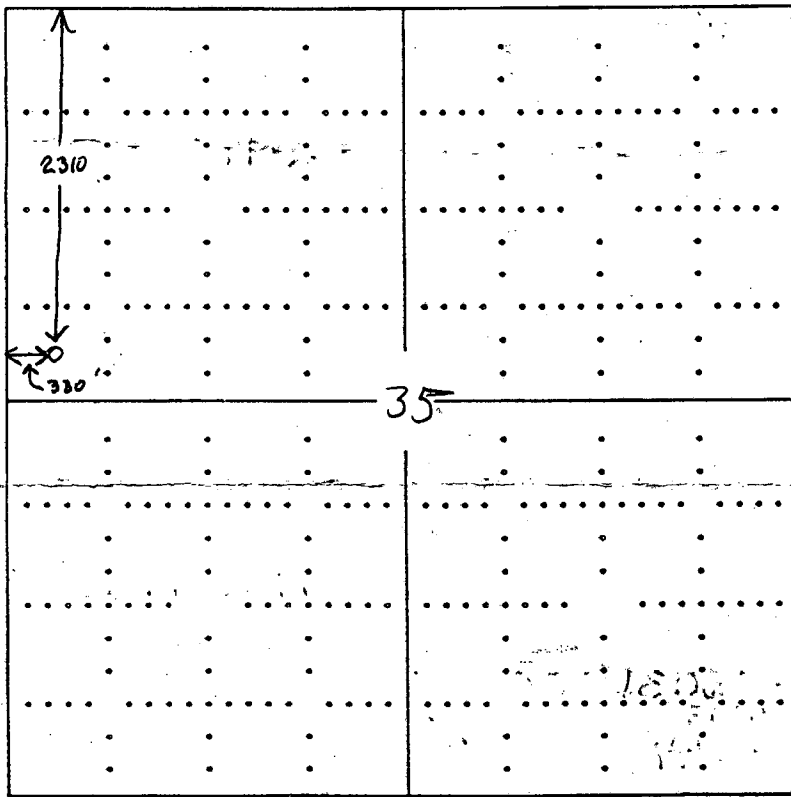
API NO. 15- _____
 OPERATOR BEREXCO, Inc
 LEASE Rice-UPR
 WELL NUMBER 1
 FIELD Law

LOCATION OF WELL: COUNTY Graham
2310 feet from south/north line of section
330 feet from east/west line of section
 SECTION 35 TWP 9 RG 23

NUMBER OF ACRES ATTRIBUTABLE TO WELL _____ IS SECTION X 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.)



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.