

EFFECTIVE DATE: 5-16-99

DISTRICT # 4

SGA?....Yes..X.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 May 18 1999
month day year

Spot 70' N of
CS/2 S/2 - NE. Sec 4 Twp 13 S, Rg 16W East
West

OPERATOR: License # 4058
Name: AMERICAN WARRIOR, INC.
Address: P.O. Box 399
City/State/Zip: Garden City, Kansas 67846
Contact Person: Cecil O'Brate
Phone: (316) 275-9231

3040 feet from South ~~XXXX~~ line of Section
1320 feet from East ~~XXXX~~ line of Section
IS SECTION X REGULAR IRREGULAR?

(NOTE: Locate well on the Section Plat on Reverse Side)
County: Ellis
Lease Name: Steele Well #: 2
Field Name: Emmeram

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

Is this a Prorated/Spaced Field? yes X no
Target Formation(s): LKC, Arbuckle
Nearest lease or unit boundary: 1320'
Ground Surface Elevation: 1990 Est. feet MSL

Well Drilled For: Well Class: Type Equipment:
X Oil ... Enh Rec X Infield X Mud Rotary
... Gas ... Storage ... Pool Ext. ... Air Rotary
... OWWO ... Disposal ... Wildcat ... Cable
... Seismic; ... # of Holes ... Other
... Other
If OWWO: old well information as follows:
Operator:
Well Name:
Comp. Date: Old total Depth

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: 180'
Depth to bottom of usable water: 600'

Surface Pipe by Alternate: 1 X 2
Length of Surface Pipe Planned to be set: 200'
Length of Conductor pipe required: None
Projected Total Depth: 3500'
Formation at Total Depth: Arbuckle
Water Source for Drilling Operations:
... well X farm pond other

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

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:

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 IS 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: May 10, 1999 Signature of Operator or Agent: J. Thomas A. [Signature] Title: Agent

FOR KCC USE:
 API # 15- 051-25003 0000
 Conductor pipe required NONE feet
 Minimum surface pipe required 200 feet per Alt. X(2)
 Approved by: JK 5-11-99
 This authorization expires: 11-11-99
 (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: KCC - Conservation Division, 130 S. Market - Room 207B, Wichita, Kansas 67202.

RECEIVED
STATE OF KANSAS
MAY 11 1999
05-11-99
CONSERVATION DIVISION
Wichita, Kansas

13
16W

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 AMERICAN WARRIOR, INC.
 LEASE Steele
 WELL NUMBER 2
 FIELD Emeram

LOCATION OF WELL: COUNTY Ellis
3040 feet from south/~~north~~ line of section
1320 feet from east/~~west~~ line of section
 SECTION 4 TWP 13S RG 16w

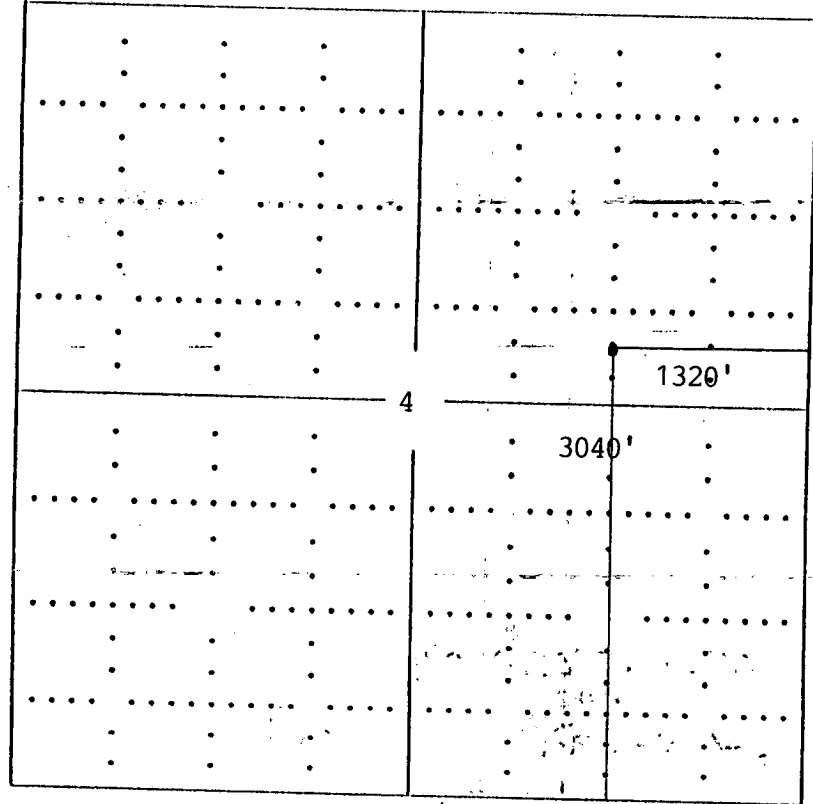
NUMBER OF ACRES ATTRIBUTABLE TO WELL _____
 QTR/QTR/QTR OF ACREAGE _____

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

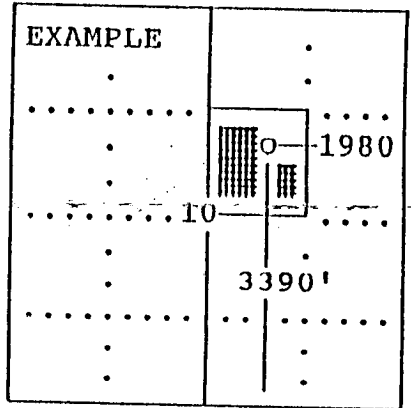
Section corner used: NE NW SE SW

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.)



Ellis 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.