

FOR KCC USE:

15-071-20706-01-00

HOR.

FORM C-1 7/91

EFFECTIVE DATE: 3-24-99

FORM MUST BE TYPED

DISTRICT # 1

State of Kansas

FORM MUST BE SIGNED

SGA? Yes No

NOTICE OF INTENTION TO DRILL

ALL BLANKS MUST BE FILLED

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

Expected Spud Date 3/31/99 month day year

Spot SURFACE LOCATION C...E1/2 SW... Sec 4... Twp 18 S, Rg 40... East West

OPERATOR: License # 32340 Name: Bluegrass Energy, Inc. Address: 5727 S Lewis St 260 City/State/Zip: Tulsa, OK 74105 Contact Person: Mark Repasky Phone: (918) 743-8060

1320 feet from South XXXX line of Section 1980 feet from XXXX West line of Section IS SECTION X REGULAR IRREGULAR? (NOTE: Locate well on the Section Plat on Reverse Side)

CONTRACTOR: License #: ADVISE ON ACO-1 Name: UNKNOWN

County: Greeley Lease Name: Monroe Well #: 2-4H Field Name: Bradshaw

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

Is this a Prorated/Spaced Field? noX Target Formation(s): Lower Winfiled (Towanda)

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

Nearest lease or unit boundary: 770 ft (BHL) Ground Surface Elevation: 361.1 feet MSL

Directional, Deviated or Horizontal wellbore? X yes If yes, true vertical depth: 3000 Bottom Hole Location: 2580 FwL 770 Fsl

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: 200 ft Depth to bottom of usable water: 250 ft

* Surface Pipe by Alternate: 1 X 2 Length of Surface Pipe Planned to be set: 300

Length of Conductor pipe required: none Projected Total Depth: 3000

Formation at Total Depth: Lower Ft Riley Water Source for Drilling Operations: well farm pond X other

Will Cores Be Taken? yes XX no If yes, proposed zone:

DOCKET No. 195,271-C (C-28,521)

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: * ALT 1 WOULD REQUIRE 1,620' OF SURFACE CASING. ALT 2 WILL REQUIRE A MIN. OF 220' OF SURFACE CASING.

- 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: February 4, 1999 Signature of Operator or Agent: Andrew Wacker Title: President

FOR KCC USE: API # 15-071-207060100 Conductor pipe required NONE feet Minimum surface pipe required 220 feet per Alt. X(2) Approved by: JK 3-19-99 This authorization expires: 9-19-99 (This authorization void if drilling not started within 6 months of effective date.) Spud date: Agent:

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- MEMBER 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 Bluegrass Energy, Inc.
 LEASE Monroe
 WELL NUMBER 2-4H
 FIELD _____

LOCATION OF WELL: COUNTY Greeley
 _____ feet from south/~~XXXX~~ line of section _____
 _____ feet from ~~XXXX~~/west line of section _____
 SECTION 4- TWP 18S RG40W

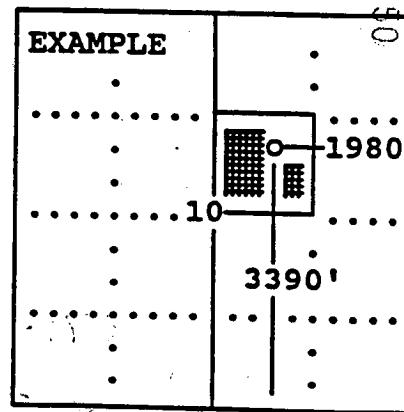
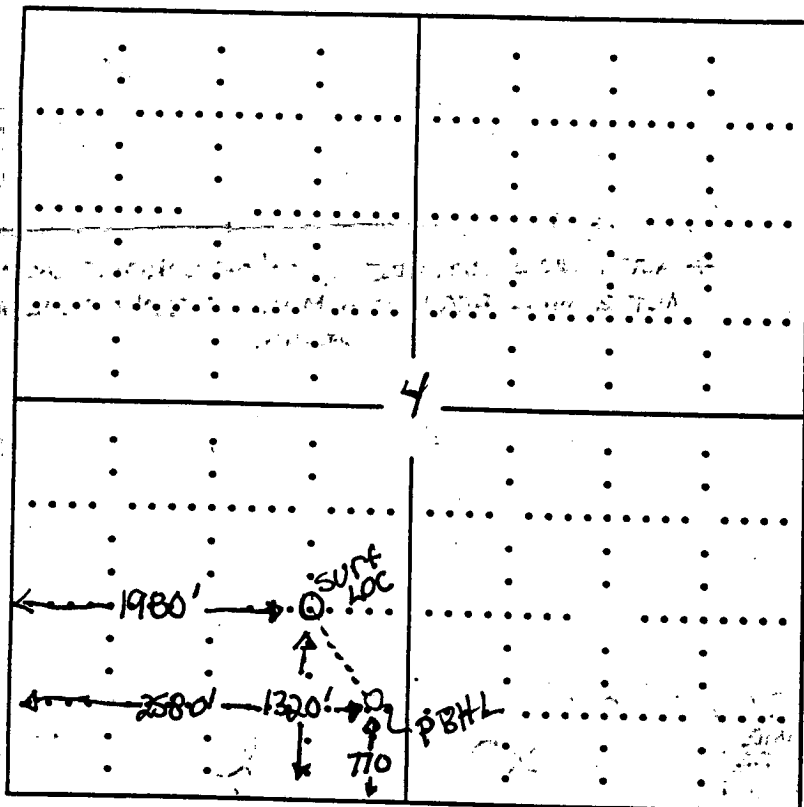
NUMBER OF ACRES ATTRIBUTABLE TO WELL 640
 QTR/QTR/QTR OF ACREAGE _____

IS SECTION xy 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.)

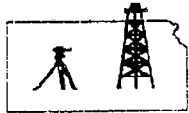


SEWARD CO.

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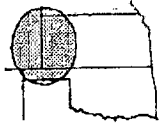
In plotting the proposed location of the well, you must show:

- 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.



ROBINSON SERVICES

1718 Pawnee
Garden City, Kansas 67846
316-276-6159 • Fax 316-276-7593



012799-B
PLAT NO.

3464
INVOICE NO.

Blue Grass Energy

Monroe 2-4H

OPERATOR
Greeley County, Ks. 4 18^S 40^W
COUNTY Sec. Twp. Rtg.

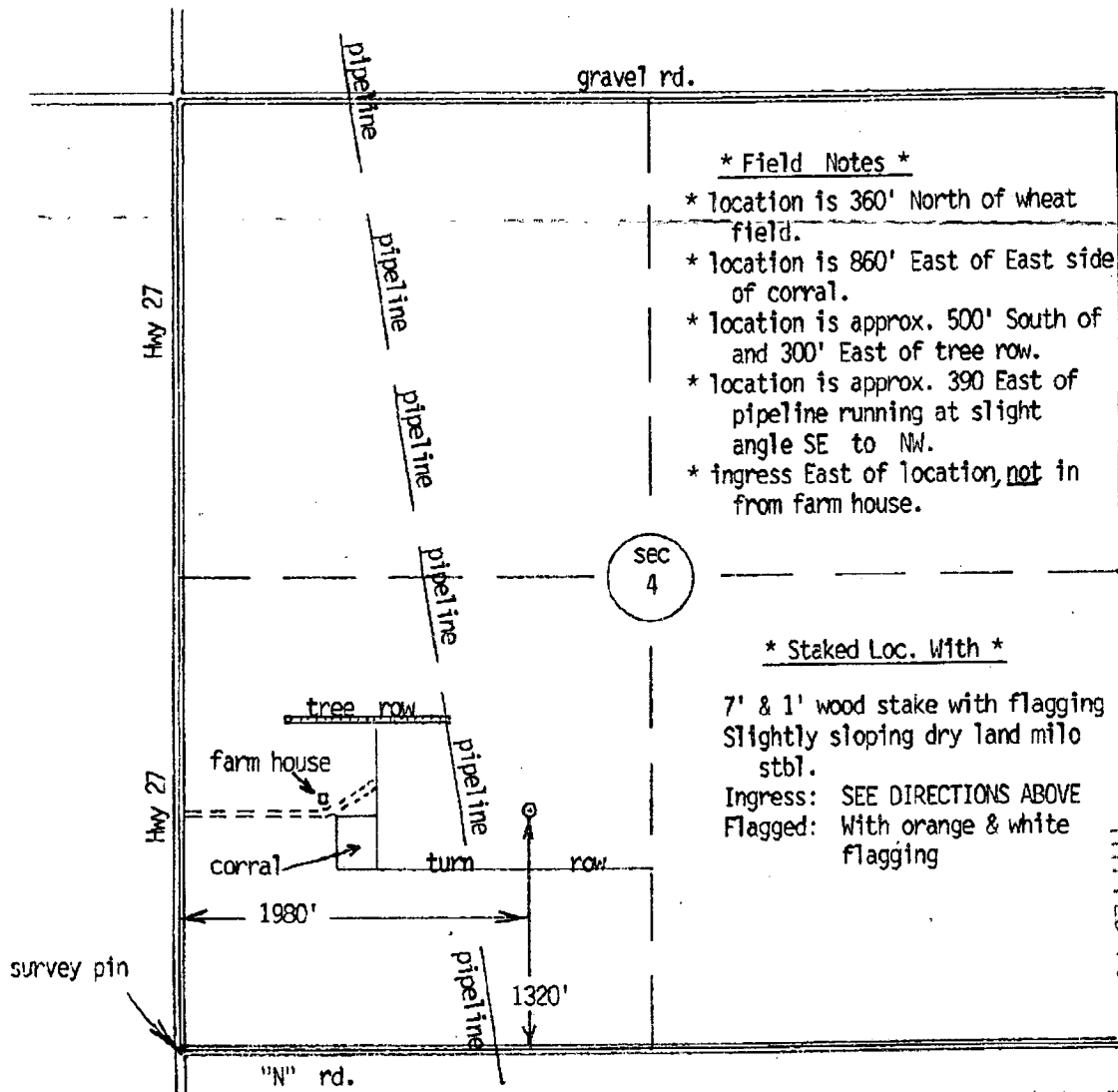
LEASE NAME
1320'FSL - 1980'FML
LOCATION

3611.4 gr
ELEVATION

SCALE: 1" = 1000'
DATE: 1/27/99
SURVEYED BY: Burt West
DRAWN BY: Burt West
AUTHORIZED BY: Mark L. / Dave O.



DIRECTIONS: From the South side of Tribune, Ks.,
(at the intersections of Hwy 27 & Hwy 96), take
Hwy 27 for 3 miles North - 1/2 mile East on
"N" Rd. - 1/2 mile North - .1 mile West
into through milo stbl.



* Field Notes *

- * location is 360' North of wheat field.
- * location is 860' East of East side of corral.
- * location is approx. 500' South of and 300' East of tree row.
- * location is approx. 390' East of pipeline running at slight angle SE to NW.
- * ingress East of location, not in from farm house.

* Staked Loc. With *

7' & 1' wood stake with flagging
Slightly sloping dry land milo stbl.
Ingress: SEE DIRECTIONS ABOVE
Flagged: With orange & white flagging

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