

FOR KCC USE:

15-199-20245-0000

FORM C-1 7/91

FORM MUST BE TYPED

EFFECTIVE DATE: 3-12-97

State of Kansas

FORM MUST BE SIGNED

DISTRICT # 4

NOTICE OF INTENTION TO DRILL

ALL BLANKS MUST BE FILLED

SGAT Yes No

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

Expected Spud Date March 17 1997 month day year

Spot SW SE SE Sec 30 Twp 15 S, Rg 41 East West

OPERATOR: License # 3581 Name: Red Oak Energy, Inc. Address: 200 W. Douglas, Suite 510 City/State/Zip: Wichita, KS 67202 Contact Person: Kevin C. Davis Phone: (316) 265-9925

330 feet from South/North line of Section 2330 feet from East/West line of Section IS SECTION REGULAR X IRREGULAR

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

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

County: Wallace Lease Name: Nickelson "A" Well #: 2-30 Field Name: SE Mt. Sunflower Is this a Prorated/Spaced field? yes X no Target Formation(s): Morrow, Mississippian Nearest lease or unit boundary: 330 Ground Surface Elevation: 3794 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: 280-260 Depth to bottom of usable water: 1600 Surface Pipe by Alternate: 1 X 2 Length of Surface Pipe Planned to be set: 330 Length of Conductor pipe required: None Projected Total Depth: 5200 Formation at Total Depth: Mississippian Water Source for Drilling Operations: well farm pond X other

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 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: 3/4/97 Signature of Operator or Agent: Title: President

FOR KCC USE: API # 15- 199-202450000 Conductor pipe required NONE feet Minimum surface pipe required 310 feet per Alt. X(2) Approved by: JK 3-7-97 This authorization expires: 9-7-97 (This authorization void if drilling not started within 6 months of effective date.) Spud date: Agent:

03-06-97 RECEIVED 1997 MAR -6 P 1:45 KANSAS CORP COMM 30 15 41W

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 67202-1286.

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 Red Oak Energy, Inc.
 LEASE Nickelson "A"
 WELL NUMBER 2-30
 FIELD SE Mt. Sunflower

LOCATION OF WELL: COUNTY Wallace
330 feet from south north line of section
2330 feet from east west line of section
 SECTION 30 TWP 15 RG 41

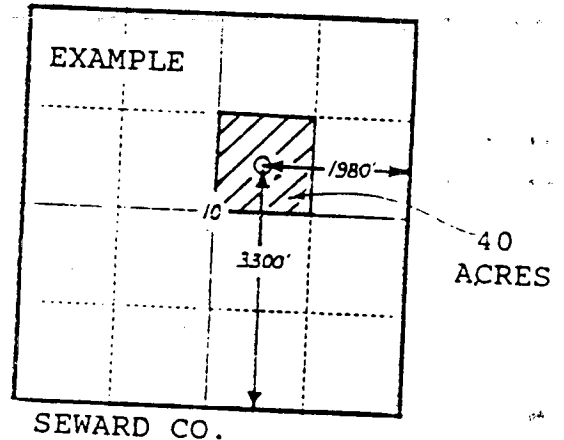
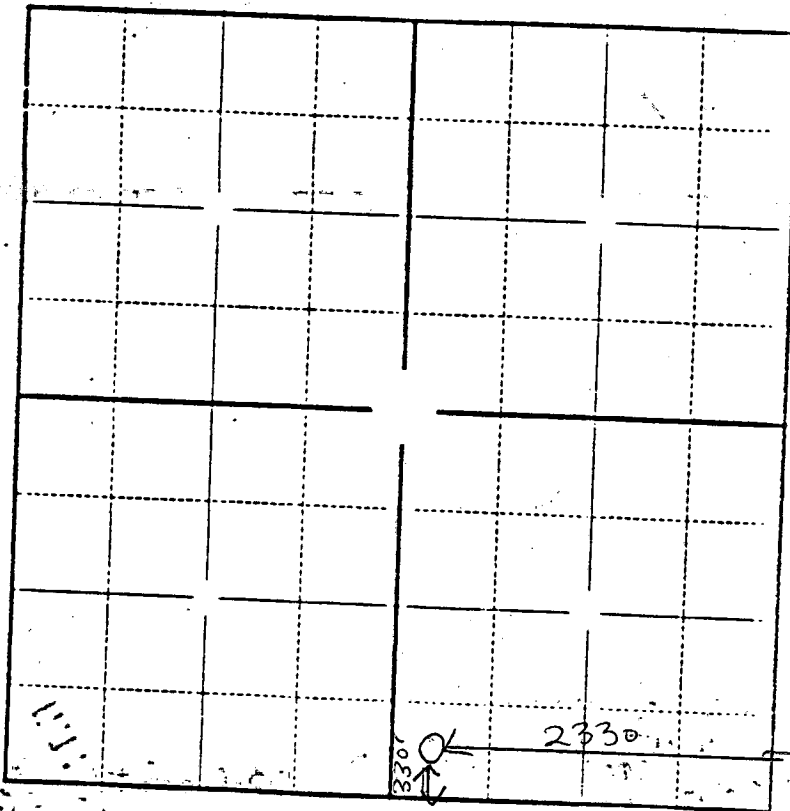
NUMBER OF ACRES ATTRIBUTABLE TO WELL _____
 QTR/QTR/QTR OF ACREAGE _____

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.)



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.