

15-071-20723-0000

EFFECTIVE DATE: 1-31-2000

FORM MUST BE TYPED

DISTRICT #

State of Kansas

FORM MUST BE SIGNED

GA7... 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: February 21, 2000

Spot: C... NW. Sec .26. Twp .17. S, Rg 40... East West

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

1320 feet from South line of Section
1320 feet from East line of Section
IS SECTION REGULAR IRREGULAR?

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

County: Greeley
Lease Name: Gibson Well #2-26
Field Name: Bradshaw

TRACTOR: License #: N/A
Name: ADVISE ON ACO-1

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

Target Formation(s): Chase
Nearest lease or unit boundary: 1320!

Well Drilled For:	Well Class:	Type Equipment:
Oil ... Enh Rec	<input checked="" type="checkbox"/> Infield	<input checked="" type="checkbox"/> Mud Rotary
Gas ... Storage	... Pool Ext.	... Air Rotary
OWO ... Disposal	... Wildcat	... Cable
Seismic; ... # of Holes	... Other	

Ground Surface Elevation: 3595 feet MSL
Water well within one-quarter mile: ... yes no

Public water supply well within one mile: ... yes no
Depth to bottom of fresh water: 220

Depth to bottom of usable water: 1400-1600 PERMIAN
Surface Pipe by Alternate: ... 1 2

Operator: ...
Well Name: ...
Comp. Date: ... Old Total Depth

Length of Surface Pipe Planned to be set: 300
Length of Conductor pipe required: ...

Projected Total Depth: 3000
Formation at Total Depth: L.Ft. Riley

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

Sectional, Deviated or Horizontal wellbore? ... yes no
Res, true vertical depth: ...
From Hole Location: ...

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

AFFIDAVIT

I, undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, seq.
I have 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.

Signature of Operator or Agent: Paul Wase Title: President

FOR KCC USE:
API # 15- 071-207230000
Conductor pipe required NONE feet
Minimum surface pipe required 240 feet per Alt. 2
Approved by: JK 1-26-2000
This authorization expires: 7-26-2000
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: _____ Agent: _____

26
17

- FOR 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.

RECEIVED
STATE CORPORATION COMMISSION
JAN 26 2000

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202.

CONSERVATION DIVISION
Wichita, Kansas

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.

PI NO. 15- _____
 OPERATOR Bluegrass Energy, Inc.
 LEASE Gibson
 WELL NUMBER 2-26
 FIELD Bradshaw

LOCATION OF WELL: COUNTY Greeley
1320 feet from ~~XXXX~~ north line of section
1320 feet from east/west line of section
 SECTION 26 TWP 17S RG 40W

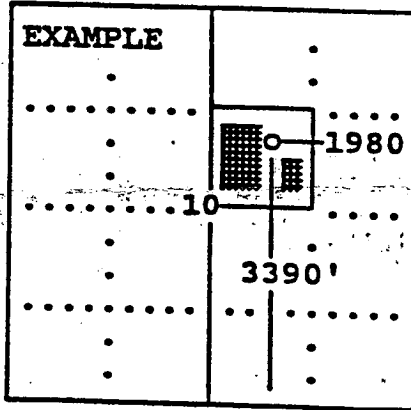
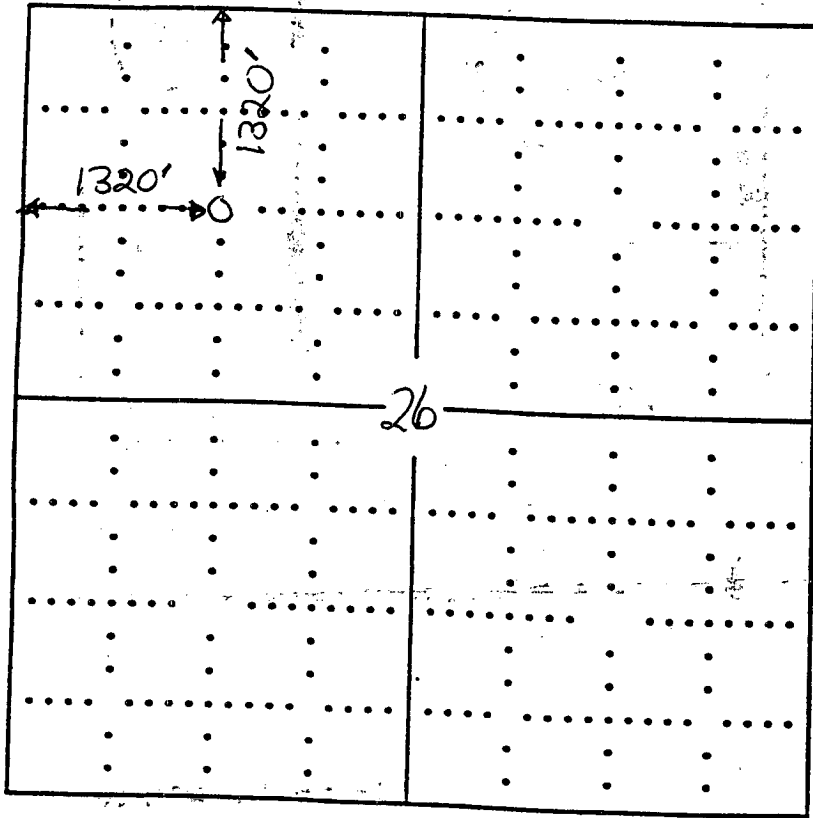
NUMBER OF ACRES ATTRIBUTABLE TO WELL _____
 TR/CTR/OTR OF ACREAGE _____

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

Section corner used: NE X 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.

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

- 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.;
- the distance of the proposed drilling location from the section's south/north and east/west; and
- the distance to the nearest lease or unit boundary line.

2-26-26