

15-199-20288-0000

RECEIVED STATE CORPORATION COMMISSION

For KCC Use: Effective Date: 1-15-02 District #: 4 SGA? Yes No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION NOTICE OF INTENT TO DRILL

JAN 08 2002

Form C-1 September 1999 Form must be Typed Form must be Signed All blanks must be Filled

Must be approved by KCC five (5) days prior to commencing well

CONSERVATION DIVISION Wichita, Kansas

Expected Spud Date 1 11 02 month day year

Spot AP S/2 S/2 SE Sec. 10 Twp. 14S S. R. 39 East West

OPERATOR: License# 32959 Name: Deep Rock Exploration, Inc. Address: 111 W. 12th City/State/Zip: Goodland, Ks 67735 Contact Person: Ross McGuckin Phone: (785) 899-7060

330 feet from (S) / (circle one) Line of Section 674 feet from (E) / (circle one) Line of Section Is SECTION X Regular Irregular?

CONTRACTOR: License# Name: ADVISE ON ACO-1; MUST BE LICENSED WITH KCC

(Note: Locate well on the Section Plat on reverse side) County: Wallace

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

Lease Name: Schmalzried Well #: 1 Field Name: WILDCAT Is this a Prorated / Spaced Field? Yes No Target Formation(s): Morrow, Miss. Arbuckle

If OWWO: old well information as follows: Operator: Well Name: Original Completion Date: Original Total Depth:

Nearest Lease or unit boundary: 330' Ground Surface Elevation: 3529 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: 300 Depth to bottom of usable water: 1650 Surface Pipe by Alternate: 1 2 Length of Surface Pipe Planned to be set: 350 Length of Conductor Pipe required: Projected Total Depth: 6,000' Formation at Total Depth: Reagan

Directional, Deviated or Horizontal wellbore? Yes No If Yes, true vertical depth: Bottom Hole Location: KCC DKT #:

Water Source for Drilling Operations: Well Farm Pond Other X DWR Permit #: Will Cores be taken? Yes 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 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: 01/07/02 Signature of Operator or Agent: Title: PRESIDENT

For KCC Use ONLY API # 15 - 199-20288-0000 Conductor pipe required NONE feet Minimum surface pipe required 350 feet per Alt. X (2) Approved by: RJP 1-10-2002 This authorization expires: 7-10-2002 (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.

10 14 39w

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 and 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: Deep Rock Exploration, Inc.

Lease: Schmalzried

Well Number: 1

Field: _____

Number of Acres attributable to well: _____

QTR / QTR / QTR of acreage: _____ - _____ - _____

Location of Well: County: Wallace

330 feet from N / S (circle one) Line of Section

674 feet from E / W (circle one) Line of Section

Sec. 10 Twp. 14 S. 4 R. 39 East West

Is Section X Regular or _____ Irregular

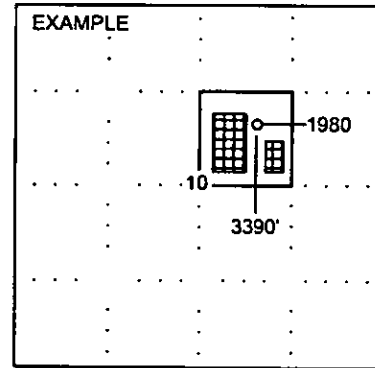
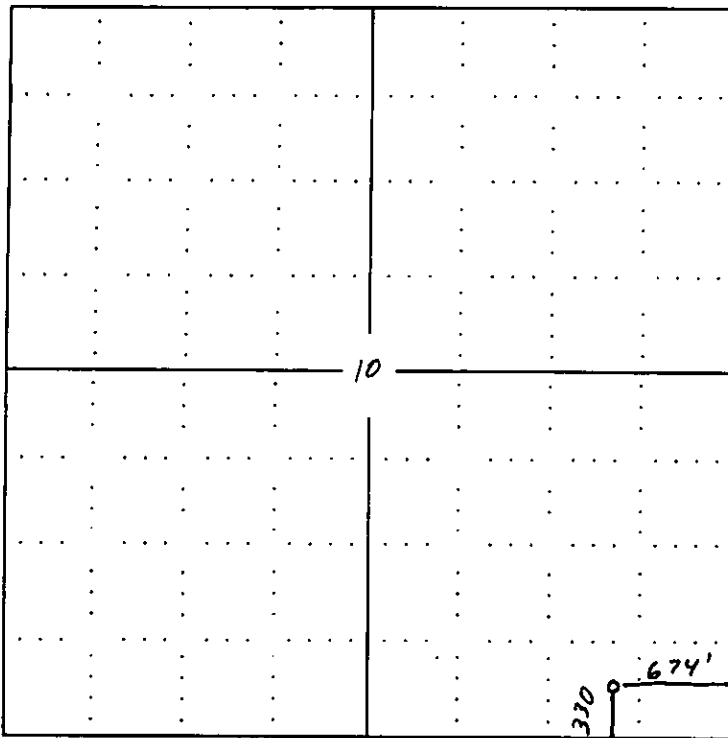
If Section is Irregular, locate well from nearest corner boundary.

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.)



SEWARD CO.

NOTE: In all cases locate the spot of the proposed drilling location.

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.
3. The distance to the nearest lease or unit boundary line.
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (CO-7 for oil wells; CG-8 for gas wells).