

EFFECTIVE DATE: 4-26-99

State of Kansas

FORM MUST BE TYPED
FORM MUST BE SIGNED
ALL BLANKS MUST BE FILLED

DISTRICT # 1
SCA? Yes/No

NOTICE OF INTENTION TO DRILL

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

Expected Spud Date 4 - 25 - 99
month day year

Spot SE - SW - SW Sec 1 Twp 18 S, Rg 32 East West

OPERATOR: License # 5123
Name: Pickrell Drilling Company, Inc.
Address: 110 N. Market, Suite 205
City/State/Zip: Wichita, Kansas 67202
Contact Person: Don W. Beauchamp
Phone: 316-262-8427

330 feet from South line of Section
990 feet from East/West line of Section
IS SECTION X REGULAR IRREGULAR?

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

CONTRACTOR: License #: 5123
Name: Company Tools

County: Scott
Lease Name: KOCI
Field Name: Wildcat BECKLEY NORTH

Is this a Prorated/Spaced Field? yes X no
Target Formation(s): L/KC - Johnson

Nearest lease or unit boundary: 330'
Ground Surface Elevation: 2965 ± feet MSL

Water well within one-quarter mile: yes X no
Public water supply well within one mile: yes X no

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

Depth to bottom of fresh water: 175'
Depth to bottom of usable water: 600' 1480 PERMAN

Surface Pipe by Alternate: 1 X 2
Length of Surface Pipe Planned to be set: 225'

Length of Conductor pipe required: None
Projected Total Depth: 4650'

Formation at Total Depth: Mississippia
Water Source for Drilling Operations: well farm pond X other

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

DWR Permit #:
Will Cores Be Taken?: yes X no

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

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: 3-22-99 Signature of Operator or Agent: Don W. Beauchamp Title: Geologist

FOR KCC USE:
API # 15- 171-205360000
Conductor pipe required NONE feet
Minimum surface pipe required 200 feet per Alt. X(2)
Approved by: JK 4-21-99 / Permt Ext DPW 3-21-99
* This authorization expires: 10-21-99 EXT 4-21-2000
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: Agent:

RECEIVED
KANSAS CORPORATION COMMISSION
APR 19 1999
4-19-99
CONSERVATION DIVISION
WICHITA, KS

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 prorations 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
 LEASE
 WELL NUMBER
 FIELD

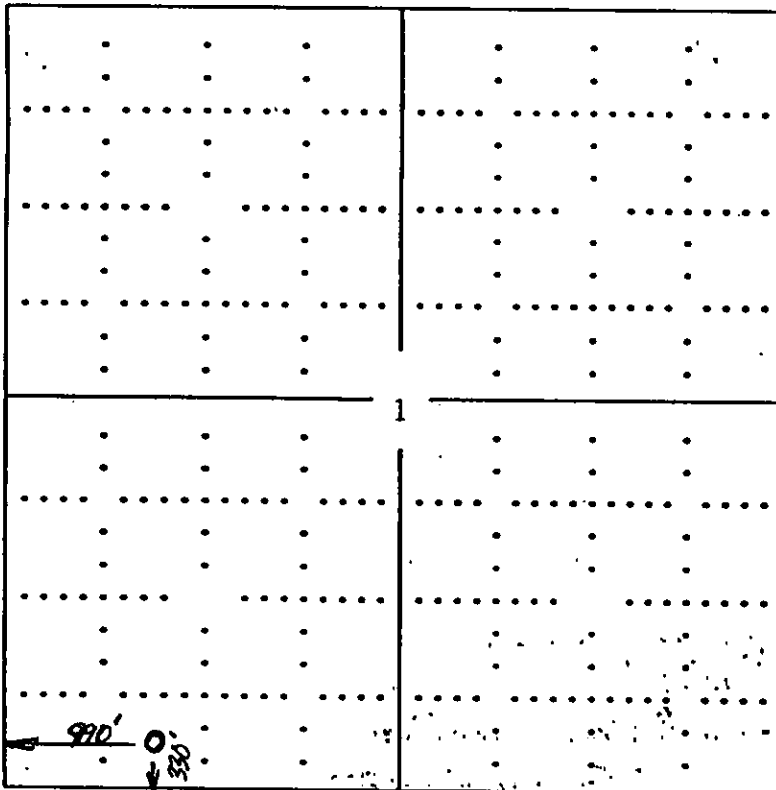
LOCATION OF WELL: COUNTY
 _____ feet from south/north line of section
 _____ feet from east/west line of section
 SECTION TWP RG

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

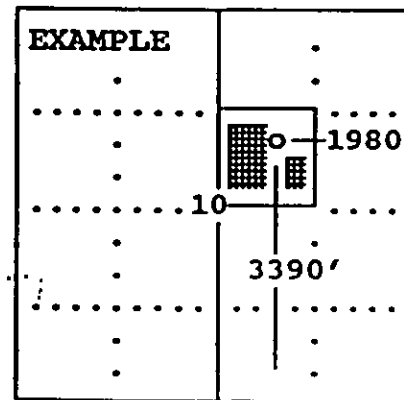
IS SECTION REGULAR or IRREGULAR
IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST CORNER BOUNDARY.

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.)



ONE SECTION



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.

PICKRELL DRILLING COMPANY, INC.

110 NORTH MARKET - SUITE 205
WICHITA, KANSAS 67202-1996
(316) 262-8427

RECEIVED
KANSAS CORPORATION COMMISSION

OCT 19 1999

JONES PUBLISHING
WICHITA, KS

October 19, 1999

Jeff Klock
Kansas Corporation Commission
130 South Market, Room 2078
Wichita, Kansas 67202-3802

Dear Jeff:

Pickrell Drilling Company filed an Intent to Drill on the #1 Koci "A" located in the SE SW SW, Section 1-18S-32W in Scott County, Kansas which was approved by you on 4-21-99. The API# is 15-171-20,536. This intent expires on 10-21-99. We are requesting an extension on this intent to drill because Pickrell cannot move in and commence operations on the Koci "A" #1 until next Monday, October 25, 1999, at the earliest. Thank you for your consideration.

Sincerely,

PICKRELL DRILLING COMPANY, INC.



Don W. Beauchamp
Geologist

DWB:dj