

EFFECTIVE DATE: 9-16-97

DISTRICT # 1

SSAT Yes X No

State of Kansas

NOTICE OF INTENTION TO DRILL

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

15-071-20678-0000

FORM C-1 7/91
FORM MUST BE TYPED
FORM MUST BE SIGNED
ALL BLANKS MUST BE FILLED

Expected Spud Date September 10 1997
month day year

Spot NE NW NW Sec 21 Twp 16 S Rg 42 East West

OPERATOR: License # 03581
Name: Red Oak Energy, Inc.
Address: 200 W Douglas #510
City/State/Zip: Wichita, KS 67202
Contact Person: Kevin C. Davis
Phone: (316) 265-9925

330 feet from South North 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)
County: Greeley
Lease Name: Beck Well #: 1-21
Field Name: Wildcat

CONTRACTOR: License #: 30606
Name: Murfin Drilling Company

Is this a Prorated/Spaced Field? yes X no
Target Formation(s): Morrow
Nearest lease or unit boundary: 330'
Ground Surface Elevation: 3843 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'
Depth to bottom of usable water: 1840'
Surface Pipe by Alternate: 1 X 2
Length of Surface Pipe Planned to be set: 320'
Length of Conductor pipe required:
Projected Total Depth: 5250'
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 Infield X Mud Rotary
Gas Storage Pool Ext. Air Rotary
OWMO Disposal X Wildcat Cable
Seismic: # of Holes Other

If OWMO: 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:

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: Sept. 2, 1997 Signature of Operator or Agent: Title: President

FOR KCC USE:
API # 15- 071-20678 0000
Conductor pipe required NONE feet
Minimum surface pipe required 300 feet per Alt. X(2)
Approved by: JK 9-11-97
This authorization expires: 3-11-98
(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.

Mail to: Conservation Division, 208 Colorado Berby Building, 202 W. First St., Wichita, Kansas 67202-1286.

21
16
42W

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 Beck
 WELL NUMBER #1-21
 FIELD Wildcat

LOCATION OF WELL: COUNTY Greeley
330 feet from south north line of section
990 feet from east west line of section
 SECTION 21 TWP 16S RG 42W

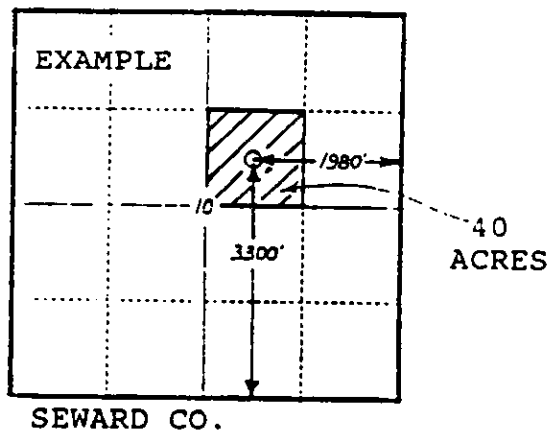
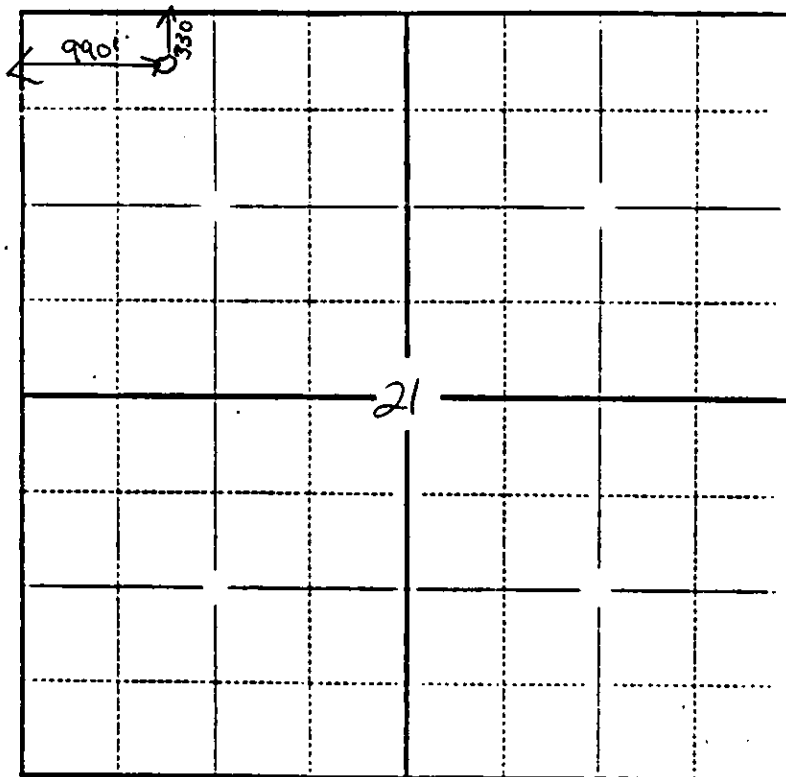
NUMBER OF ACRES ATTRIBUTABLE TO WELL _____
 QTR/QTR/QTR OF ACREAGE _____

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.)



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.