

EFFECTIVE DATE: 10-5-99

DISTRICT # 1

SGA? 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.

Expected Spud Date ... Nov. 10, 1999
month day year

Spot
C NE Sec 17 Twp 19S 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 ~~West~~ North line of Section
1320 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: Edmun Well #: 2-17
Field Name: Bradshaw

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

Is this a Prorated/Spaced Field? yes X no
Target Formation(s): Chase
Nearest lease or unit boundary: 1320

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

Ground Surface Elevation: 3607 feet MSL
Water well within one-quarter mile: yes X no
Public water supply well within one mile: yes X no

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

Depth to bottom of fresh water: 220
Depth to bottom of usable water: 1400
Surface Pipe by Alternate: 1 X 2
Length of Surface Pipe Planned to be set: 300

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

Length of Conductor pipe required: NONE
Projected Total Depth: 300
Formation at Total Depth: 1 ft Riley
Water Source for Drilling Operations:
well farm pond X other

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

AFFIDAVIT

I, 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: 9/24/99 Signature of Operator or Agent: Amey Wade Title: Production

FOR KCC USE:
 API # 15- 071-207150000
 Conductor pipe required NONE feet
 Minimum surface pipe required 240 feet per Alt. X(2)
 Approved by: K 9-30-99
 This authorization expires: 3-30-2000
 (This authorization void if drilling not started within 6 months of effective date.)
 Spud date: _____ Agent: _____

17
RECEIVED 40W
KANSAS CORP COMM
1999 SEP 29 12:16

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

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 Bluegrass Energy, Inc.
 LEASE Edmun
 WELL NUMBER 2-17
 FIELD Bradshaw

LOCATION OF WELL: COUNTY Greeley
1320 feet from ~~west~~/north line of section
1320 feet from east/~~west~~ line of section
 SECTION 17 TWP 19S RG 40W

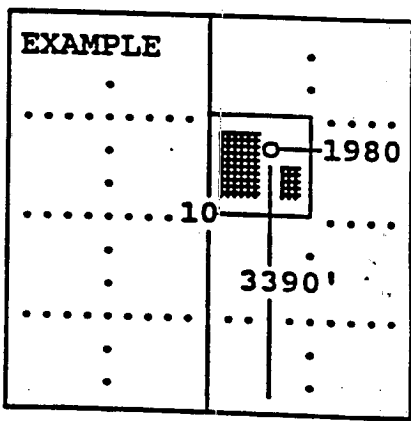
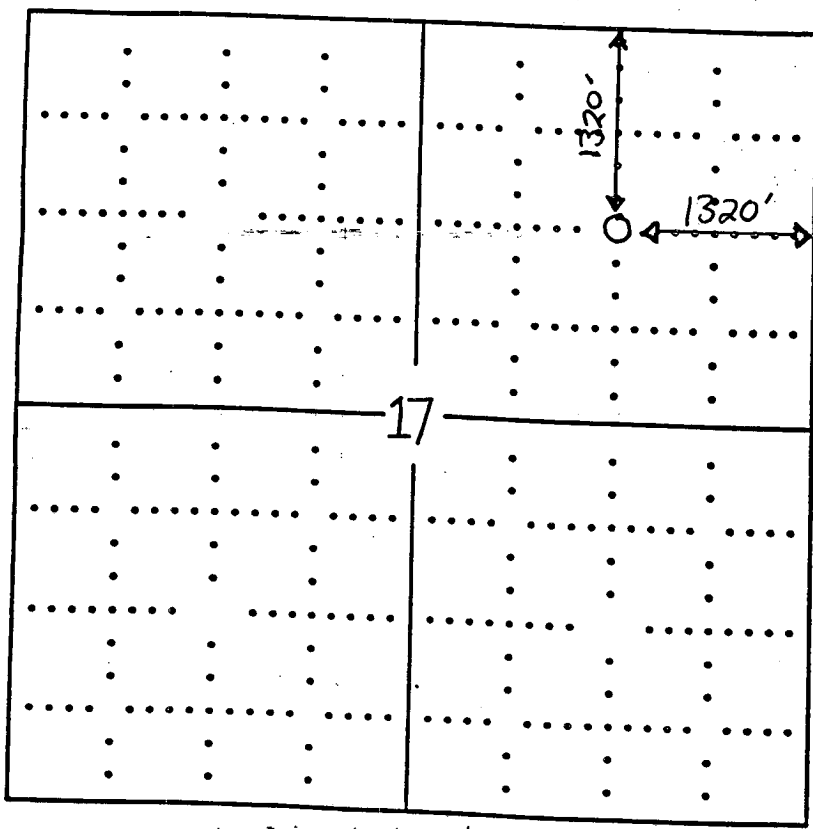
NUMBER OF ACRES ATTRIBUTABLE TO WELL 640
 QTR/QTR/QTR OF ACREAGE _____

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

Section corner used: NE 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.

When 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.