

ALL USE: EFFECTIVE DATE: 6-13-2000

15-071-20728-000

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

DISTRICT # 1 A7...Yes...XNo

State of Kansas NOTICE OF INTENTION TO DRILL

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

Spud Date 7-10-2000 month day year

Spot C-SE Sec 17 Twp 19 S, Rg 40 East West

DRILLER: License # 32340 Name: Bluegrass Energy, Inc. Address: 5727-B Lewis Suite 700 Tulsa, OK 74105 Contact Person: M. Repasky Phone: 918-743-8060

1320 feet from South North line of Section 1320 feet from East West line of Section IS SECTION X REGULAR INREGULAR

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

County: Greeley Lease Name: Edmun Well #: 3-17 Field Name: Bradshaw

TRACTOR: License #: ADVISE ON ACO-1 Name: UNKNOWN

Is this a Prorated/Spaced Field? yes X no

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

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

Ground Surface Elevation: 3593 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: 200 ft

Depth to bottom of usable water: 4600 (450 PERMIAN)

Surface Pipe by Alternate: 1 X 2

Length of Surface Pipe Planned to be set: 300

Length of Conductor pipe required: none

Projected Total Depth: 3000

Formation at Total Depth: L.Ft. riley

Water Source for Drilling Operations: well farm pond X other

MWD: old well information as follows: Operator: Well Name: Comp. Date: Old Total Depth: Optional, Deviated or Horizontal wellbore? yes X no

Will Cores Be Taken?: yes X 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, and I agree 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.

June 5, 2000 Signature of Operator or Agent: [Signature] Title: President

FOR KCC USE: API # 15- 071-207280000 Conductor pipe required NONE feet Minimum surface pipe required 220 feet per Alt. X(2) Approved by: JK 6-8-2000 This authorization expires: 12-8-2000 (This authorization void if drilling not started within 6 months of effective date.) Spud date: Agent:

RECEIVED STATE CORPORATION COMMISSION

JUN 7 2000

CONSERVATION DIVISION Wichita, Kansas

- 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.

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

12 19 404

PLAT 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.
 EASE Edman
 WELL NUMBER 3-17
 FIELD Bradshaw

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

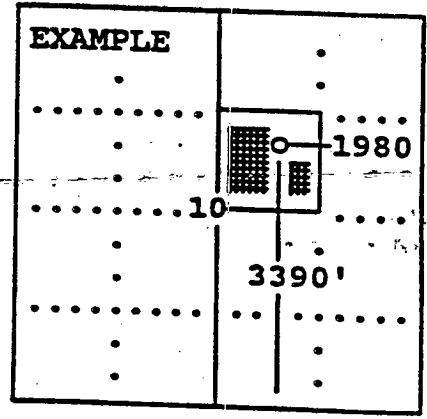
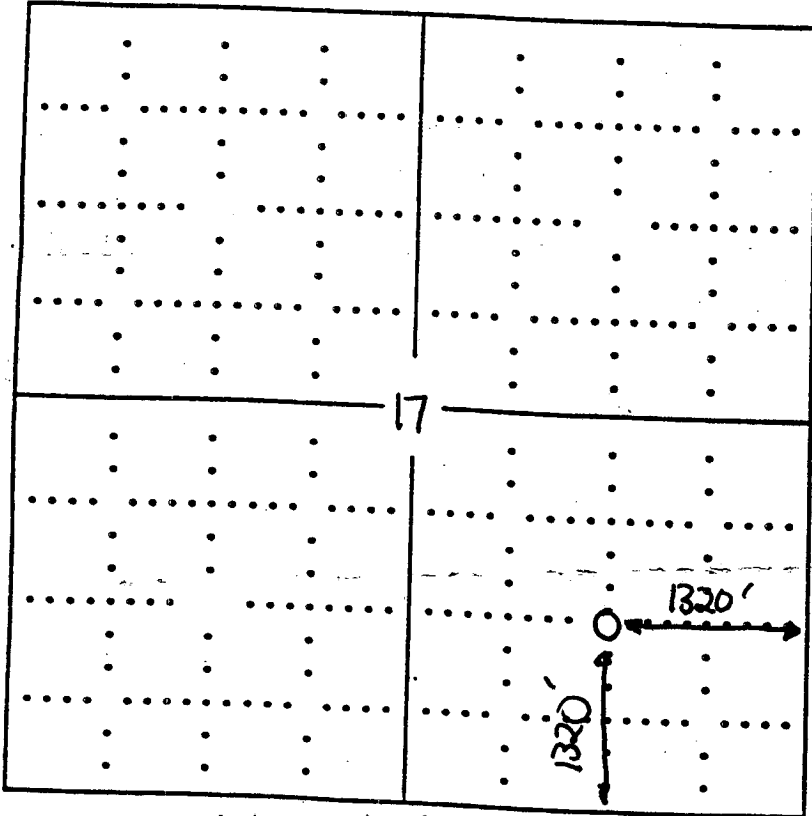
NUMBER OF ACRES ATTRIBUTABLE TO WELL 640
 TR/OTR/OTR OF ACREAGE _____

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.

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.