

EFFECTIVE DATE: 9-1-99
DISTRICT # 1
SGA? Yes X No

State of Kansas
NOTICE OF INTENTION TO DRILL

15-171-20538-0000

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

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

Expected Spud Date 08^a 27¹ 1999
month day year

Spot 160's & 260'E of SE/4 SE/4 Sec 7 Twp 19 S, Rg 31 East West

OPERATOR: License # 32154
Name: Sagebrush Operating, LLC
Address: 1888 Sherman Street, Ste. 500
City/State/Zip: Denver, CO 80203
Contact Person: John Rose
Phone: 303-866-0011

500 feet from South North line of Section
400 feet from East West line of Section

IS SECTION X REGULAR IRREGULAR?
(NOTE: Locate well on the Section Plat on Reverse Side)

CONTRACTOR: License #: 5929
Name: Duke Drilling

County: Scott
Lease Name: Dearden Well #: 1
Field Name: Wildcat

Is this a Prorated/Spaced Field? yes X no
Target Formation(s): Arbuckle

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

Nearest lease or unit boundary: 2974 est.
Ground Surface Elevation: 2974 est. feet MSL

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

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

Depth to bottom of fresh water: 180
Depth to bottom of usable water: 1500

Surface Pipe by Alternate: 1 X 2
Length of Surface Pipe Planned to be set: 200+

Length of Conductor pipe required: _____
Projected Total Depth: 5100 est.

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

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

Will Cores Be Taken? yes X 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: 8-26-99 Signature of Operator or Agent: Duane Meyer Title: Agent

FOR KCC USE:
API # 15- 171-205380000
Conductor pipe required NONE feet
Minimum surface pipe required 200 feet per Alt. (1) X
Approved by: AK 8-27-99
This authorization expires: 2-27-2000
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: _____ Agent: _____

RECEIVED
KANSAS CORPORATION COMMISSION

AUG 28 1999

08-28-99
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: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202.

7
19
31/2

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 Sagebrush Operating LLC
 LEASE Dearden
 WELL NUMBER #1
 FIELD Wildcat

LOCATION OF WELL: COUNTY Scott
500 feet from South north line of section
400 feet from East west line of section
 SECTION 7 TWP 19 South RG 31 West

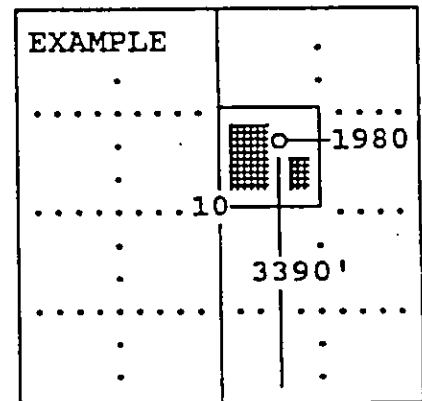
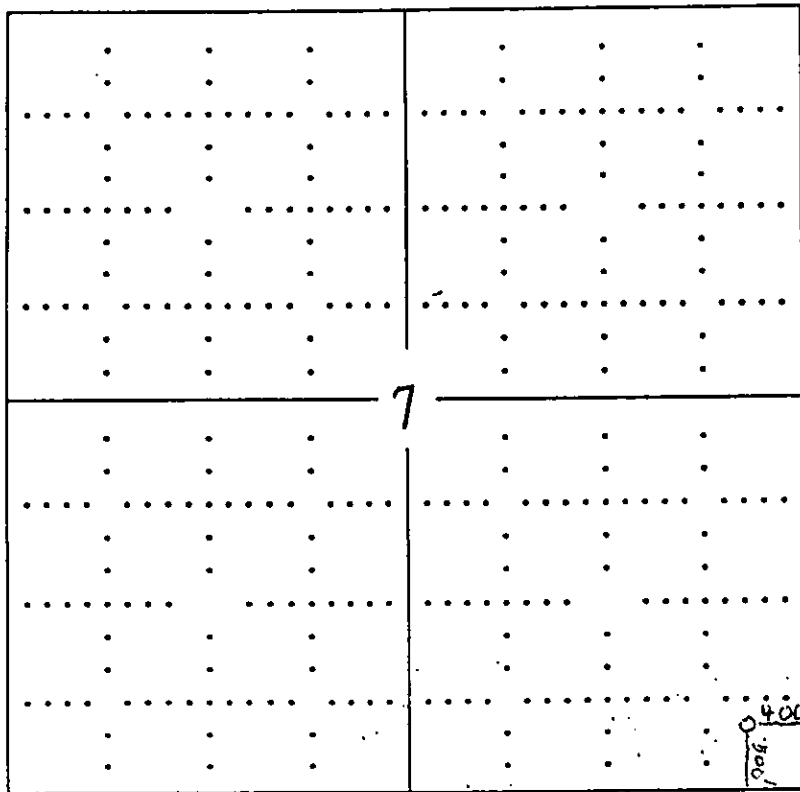
NUMBER OF ACRES ATTRIBUTABLE TO WELL _____
 OTR/OTR/OTR OF ACREAGE _____

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.

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.

AUG 26 1999