

FOR KCC USE:

FORM C-1 7/97

EFFECTIVE DATE: 10-9-96

State of Kansas 15-171-20504-0000

FORM MUST BE TYPE

DISTRICT # 1

NOTICE OF INTENTION TO DRILL

FORM MUST BE SIKED

39A? Yes  No

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

ALL BLANKS MUST BE FILLED

Expected Spud Date 10/15/96 month day year

Spot C SE SW Sec 27 Twp 19 S Rg 33 X East

OPERATOR: License # 4629 Brito Oil Company, Inc. Name: 120 S. Market, #300 Address: WICHITA, KS 67202 City/State/Zip: Raul F. Brito Contact Person: 316 263 8787 Phone:

660' feet from South North line of Section 1980' feet from East West line of Section IS SECTION X REGULAR IRREGULAR

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

County: Scott

Lease Name: Smith 'B' Well #: 1-27

Field Name: Hugoton North

Is this a Prorated/Spaced Field? yes X no

Target Formation(s): Lans, Marm, Mrw, Miss

Nearest lease or unit boundary: 660'

Ground Surface Elevation: Est. 2965' 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'

Depth to bottom of usable water: 1065'

Surface Pipe by Alternate: 1 X 2

Length of Surface Pipe Planned to be set: 250'

Length of Conductor pipe required: N/A

Projected Total Depth: 4750'

Formation at Total Depth: Mississippian

Water Source for Drilling Operations: well X farm pond other

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

If yes, proposed zone:

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

Table with columns: Well Drilled For, Well Class, Type Equipment. Includes rows for Oil, Gas, OUVG, Seismic, and other well types.

If OUVG: 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:

AFFIDAVIT

RECEIVED KANSAS CORPORATION COMMISSION

OCT 04 1996

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...
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 IS COMPLETED, 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: 10/4/96 Signature of Operator or Agent: Title: President

FOR KCC USE: API # 15- 171-205040000 Conductor pipe required NONE feet Minimum surface pipe required 200' feet per Alt. X (2) Approved by: JK 10-4-96 This authorization expires: 4-4-97 (This authorization void if drilling not started within 6 months of effective date.) Spud date: Agent:

REMEMBER TO:

- File Drill Pit Application (form CSP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field preparation 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.

Handwritten marks: 27, 19, 330

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 or 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 Brito Oil Company, Inc.  
 LEASE Smith "B"  
 WELL NUMBER I-27  
 FIELD Hugoton North

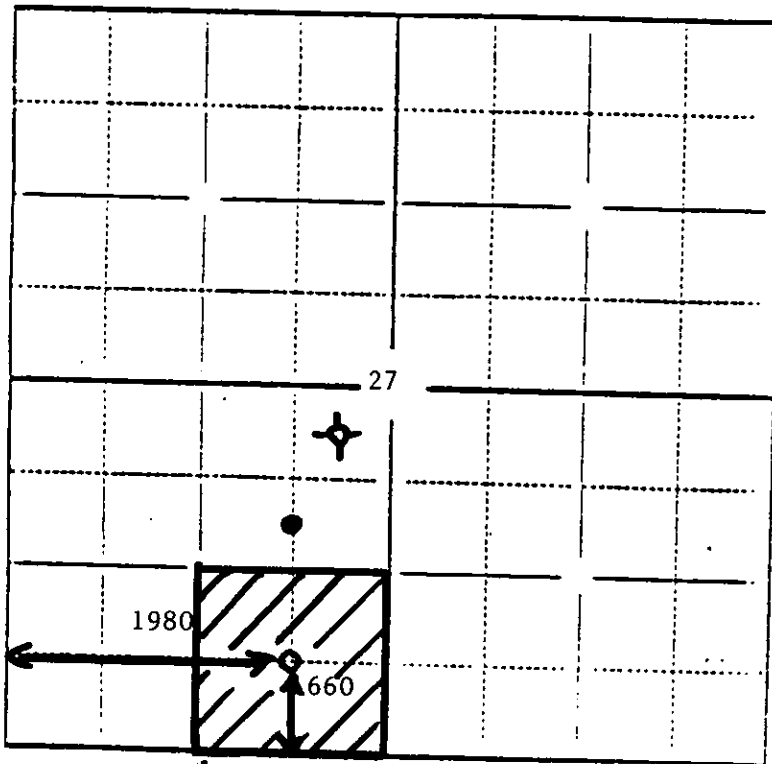
LOCATION OF WELL: COUNTY Scott  
660 feet from South/north line of section  
1980 feet from east West line of section  
 SECTION 27 TWP 19S RG 33W

NUMBER OF ACRES ATTRIBUTABLE TO WELL 40  
 QTR/QTR/QTR OF ACREAGE C - SE - SW

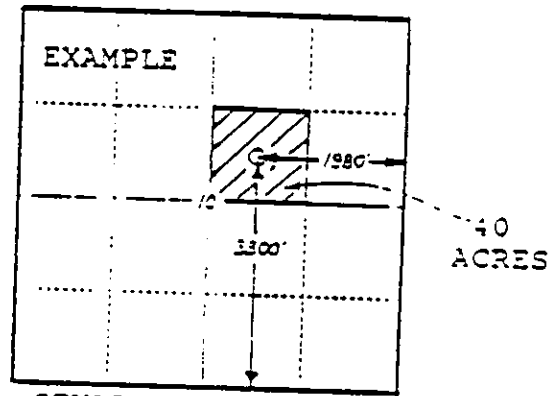
IS SECTION X REGULAR or IRREGULAR  
 IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST CORNER BOUNDARY.

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.)



40 Acres, Scott County



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.