

For KCC Use: 6-30-2001
Effective Date: 6-30-2001
District # _____
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form C-1
September 1999
Form must be Typed
Form must be Signed
All blanks must be Filled

NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well

Expected Spud Date July 16 2001
month day year

OPERATOR: License# 32835
Name: MCRAE & HENRY LIMITED
Address: 1600 Stout Street, Suite 580
City/State/Zip: Denver, CO 80202
Contact Person: John Crawford
Phone: (303) 623-5999

CONTRACTOR: License# 31548
Name: Discovery Drilling Co., Inc.

Well Drilled For:	Well Class:	Type Equipment:
<input checked="" type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Infield
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.
<input type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat
<input type="checkbox"/> Seismic; # of Holes _____	<input type="checkbox"/> Other _____	<input type="checkbox"/> Mud Rotary
<input type="checkbox"/> Other _____		<input type="checkbox"/> Air Rotary
		<input type="checkbox"/> Cable

If OWWO: old well information as follows:
Operator: _____
Well Name: _____
Original Completion Date: _____ Original Total Depth: _____

Directional, Deviated or Horizontal wellbore? Yes No

If Yes, true vertical depth: _____

Bottom Hole Location: _____

KCC DKT #: _____

Spot East
SW NE SE Sec. 34 Twp. 17 S. R. 30W West
1650 feet from (S) / N (circle one) Line of Section
990 feet from (E) / W (circle one) Line of Section
Is SECTION X Regular _____ Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: Lane
Lease Name: Glenn Well #: 2

Field Name: MIDDLE CREEK

Is this a Prorated / Spaced Field? Yes No

Target Information(s): LKC & Mississippian

Nearest Lease or unit boundary: 990'

Ground Surface Elevation: 2855 feet MSL

Water well within one-quarter mile: Yes No

Public water supply well within one mile: Yes No

Depth to bottom of fresh water: 180'

Depth to bottom of usable water: 1370'

Surface Pipe by Alternate: 1 X 2

Length of Surface Pipe Planned to be set: 200'

Length of Conductor Pipe required: None

Projected Total Depth: 4600'

Producing Formation Target: Mississippian

Water Source for Drilling Operations:

Well _____ Farm Pond X Other _____

DWR Permit #: _____

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No

If Yes, proposed zone: _____

AFFIDAVIT

RECEIVED
KANSAS CORPORATION COMMISSION

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: June 12, 2001 Signature of Operator or Agent: Thomas L. [Signature] Title: Agent

For KCC Use ONLY

API # 15 - 101-21792-0000

Conductor pipe required NONE feet

Minimum surface pipe required 200 feet per Alt. X (2)

Approved by: JK 6-25-2001

This authorization expires: 12-25-2001

(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.

34
17
30W

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 and 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: MCRAE & HENRY LIMITED

Lease: Glenn

Well Number: 2

Field: _____

Number of Acres attributable to well: _____

QTR / QTR / QTR of acreage: _____

Location of Well: County: Lane

1650 feet from S / N (circle one) Line of Section

990 feet from E / W (circle one) Line of Section

Sec. 34 Twp. 17 S. R. 30W East West

Is Section X Regular or _____ Irregular

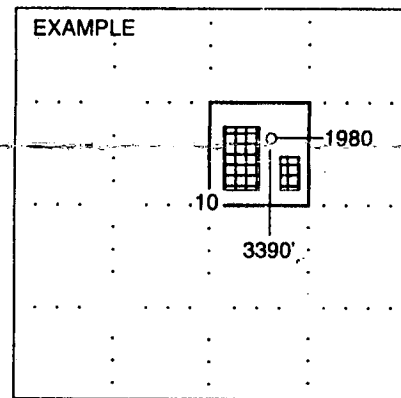
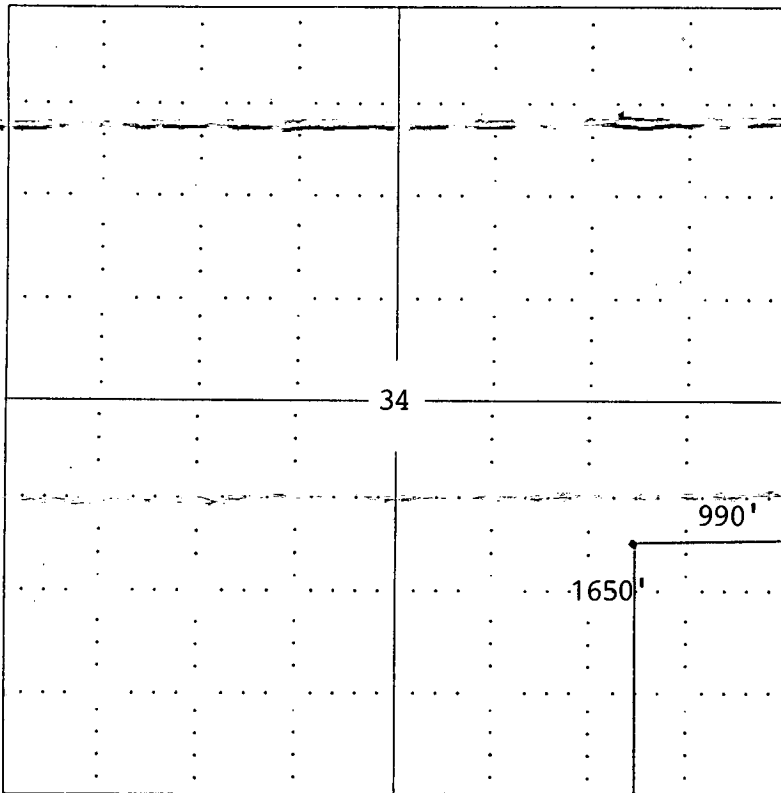
If Section Is Irregular, locate well from nearest corner boundary.

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.

NOTE: In all cases locate the spot of the proposed drilling locaton.

Lane Co., KS

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.
3. The distance to the nearest lease or unit boundary line.
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (CO-7 for oil wells; CG-8 for gas wells).