

FOR KCC USE:

FORM C-1 7/91

FORM MUST BE TYPED

EFFECTIVE DATE: 1-19-2000

State of Kansas

FORM MUST BE SIGNED

DISTRICT # 4

NOTICE OF INTENTION TO DRILL

ALL BLANKS MUST BE FILLED

SGA? ... Yes... No

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

Expected Spud Date ¹⁹ January 18, 2000
month day year

Spot Approx S2 S2 SE NW. Sec 2... Twp 11.. S, Rg 19.. East West

OPERATOR: License # 5663
Name: Hess Oil Company
Address: P. O. Box 1009
City/State/Zip: McPherson, KS 67460
Contact Person: Bryan Hess & James C. Hess
Phone: 316-241-4640

2560 feet from / North Line of Section
 1850 feet from / West Line of Section
IS SECTION REGULAR IRREGULAR?

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

County: Ellis

Lease Name: Teet-Bill Well #: 1-2

Field Name: _____

Is this a Prorated/Spaced Field? ... yes no

Target Formation(s): Arbuckle

* Nearest lease or unit boundary: 790' 530' West

Ground Surface Elevation: 2085' 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: 400' 700' B/DAKOTA

Surface Pipe by Alternate: ... 1 2

Length of Surface Pipe Planned to be set: 200'

Length of Conductor pipe required: NA

Projected Total Depth: 3650'

Formation at Total Depth: Arbuckle

Water Source for Drilling Operations:

... well farm pond other

Well Drilled For: Well Class: Type Equipment:

Oil ... Enh Rec ... Infield Mud Rotary
... Gas ... Storage ... Pool Ext. ... Air Rotary
... OWWO ... Disposal Wildcat ... Cable
... Seismic; ... # of Holes ... Other
... Other

If OWWO: old well information as follows:

Operator: _____
Well Name: _____
Comp. Date: _____ Old Total Depth _____

Directional, Deviated or Horizontal wellbore? ... yes no

If yes, true vertical depth: _____

Bottom Hole Location: _____

Will Cores Be Taken? ... yes no

If yes, proposed zone: _____

AFFIDAVIT

* UNIT COMPRISED OF 3/2 SE NW; N/2 NESW

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: 1/11/2000 Signature of Operator or Agent: Bryan Hess Title: Bryan Hess, Mgr.

FOR KCC USE:
 API # 15- 051-25019 0000
 Conductor pipe required NONE feet
 Minimum surface pipe required 200 feet per Alt. (2)
 Approved by: JK 1-14-2000
 This authorization expires: 7-14-2000
 (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.

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

RECEIVED
STATE CORPORATION COMMISSION

JAN 12 2000

CONSERVATION DIVISION
Wichita, Kansas

2
11
19

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 Hess Oil Company LOCATION OF WELL: COUNTY Ellis
 LEASE Teets-Bill 2560 feet from /North line of section
 WELL NUMBER 1-2 1850 feet from /West line of section
 FIELD _____ SECTION 2 TWP 11 RG 19 W

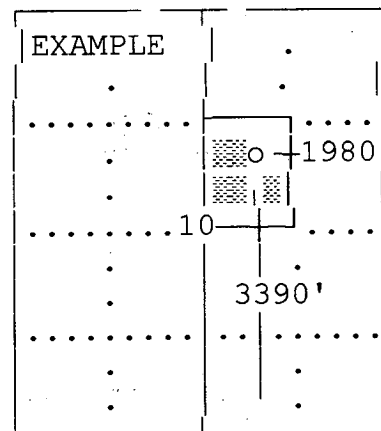
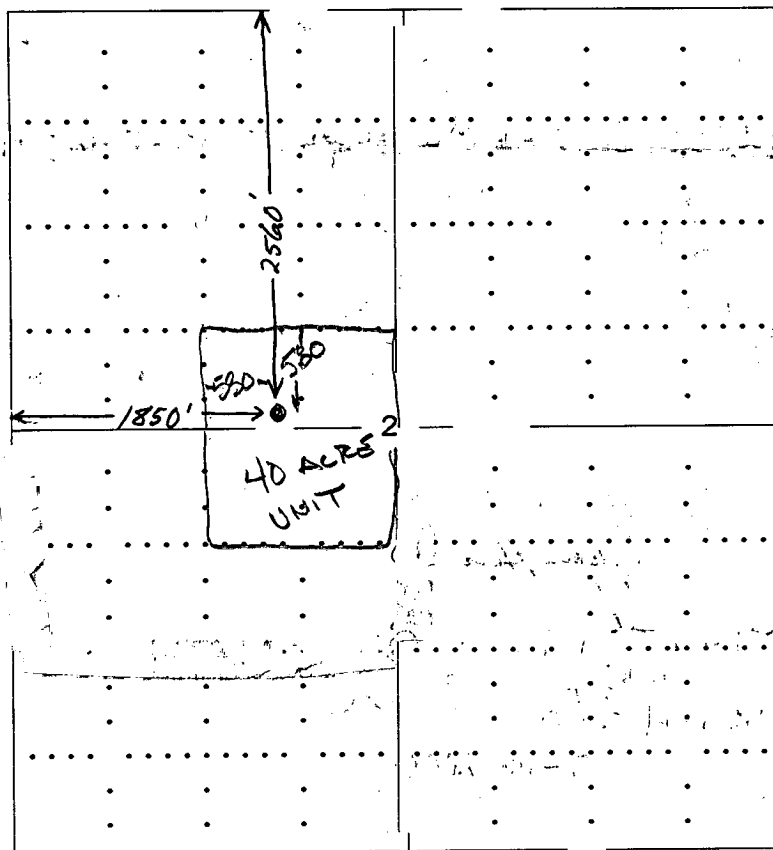
NUMBER OF ACRES ATTRIBUTABLE TO WELL _____ IS SECTION X REGULAR or _____ IRREGULAR
 QTR/QTR/QTR OF ACREAGE _____ - _____ - _____ **IF SECTION IS IRREGULAR, LOCATE WELL FROM**
NEAREST

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.

STATE OF KANSAS
ELLIS COUNTY
This instrument was filed for record

DECLARATION OF POOLING AND UNITIZATION



JAN 10 2000

Recorded in
Book 480 Page 385
MICROFILMED

KNOWN ALL MEN BY THESE PRESENTS:

WHEREAS, MURFIN DRILLING COMPANY, INC., 250 North Water, Suite 300, Wichita, Kansas 67202, is the owner of the oil and gas leases described on Exhibit "A", attached hereto and by this reference made a part hereof, insofar and only insofar as said leases cover the following lands described herein to-wit:

Name: ms
Street: ms
City: ms
Number: ms
Caption: ms

**TOWNSHIP 11 SOUTH, RANGE 10 WEST
SECTION 2: W/2 NW/4; N/2 SW/4; E/2 NW/4
Ellis County, Kansas**

15.051.25019.0000

WHEREAS, each of the oil and gas leases, numbered 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11, described in Exhibit "A" contains a pooling and unitization clause which states:

"Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas, or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved."

WHEREAS, oil and gas lease number 12 described in Exhibit "A" contains a pooling and unitization clause which states:

"Lessee, at its option, is hereby given the right and power to pool or combine into one or more units the land covered by this lease, or any portion thereof, with other land covered by another lease, or leases adjoining same or in the vicinity thereof, when, in lessee's judgment, it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of such minerals in and under said land such, pooling to be of tracts adjoining same or in the vicinity thereof as to form a compact unit or units, and to be in a unit or units not exceeding 43 acres each in the event of an oil well, or into a unit or units not exceeding 660 acres each in the event of a gas and/or condensate or distillate well. Lessee shall execute in writing and file for record in the County in which the land is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a unit or units shall be treated for all purposes, except the

Post-it™ brand fax transmittal memo 7671	# of pages: 5
To: Jeff Klock	From: Bryan
Co.: KCC	Co.: Hess Oil
Dept.:	Phone #: 241-4640
Fax #: 337-6211	Fax #: 241-4642

Post-it® Fax Note 7671	Date: 1-12-2000	# of pages: 5
To: Bryan Hess	From: G. Abank	
Co./Dept: Hess Oil Co.	Co.: MURFIN	
Phone #:	782-241-3741	

BOOK 480 PAGE 385

payments of royalties on production from the pooled unit, as if it were included in this lease. If production is found on any part of the pooled acreage it shall be treated as if production is had from this lease whether any well is located on the land covered by this lease or not. Any well drilled on any such unit shall be and constitute a well hereunder. In lieu of the royalties elsewhere herein specified lessor shall receive on production from the unit so pooled only such portion of the royalty stipulated herein as the amount of his net royalty interest therein on an acreage basis bears to the total mineral acreage so pooled in the particular unit involved.

WHEREAS, the undersigned, MURFIN DRILLING COMPANY, INC., desires to pool and unitize all of the oil and gas leases described in Exhibit "A", insofar and only insofar as same covers the following described lands, to-wit:

**TOWNSHIP 11 SOUTH, RANGE 19 WEST
SECTION 2: S/2 SE/4 NW/4; N/2 NE/4 SW/4
Ellis County, Kansas**

said last lands, containing forty (40) acres, more or less, now being identified as "THE POOLED AND UNITIZED AREA" for production of oil and/or gas associated hydrocarbons from all zones and formations.

NOW THEREFORE, the undersigned, MURFIN DRILLING COMPANY, INC., does hereby pool and unitize the above described lands into one pooled and unitized area, containing forty (40) acres, provided that said pooling and unitization is limited to production of oil and/or gas associated hydrocarbons from all zones and formations.

The royalties accruing from any well located on said unit shall be prorated and paid to lessors of the various tracts included in the POOLED AND UNITIZED AREA in the same proportion that each tract of said lessor bears to the total of the POOLED AND UNITIZED AREA.

IN WITNESS WHEREOF, this DECLARATION OF POOLING AND UNITIZATION, was executed this 4th day of January, 2000.

MURFIN DRILLING COMPANY, INC.


Robert D. Young, Secretary/Treasurer

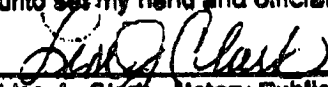
ACKNOWLEDGMENT
STATE OF KANSAS
188
COUNTY OF SEDGWICK)

Before me, the undersigned, A Notary Public, within and for said County and State, on this 4th day of January, 2000 personally appeared Robert D. Young, the Secretary/Treasurer of MURFIN DRILLING COMPANY, INC., to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes set forth therein.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this day.

MY COMMISSION EXPIRES:




Lisa J. Clark - Notary Public
BOOK 480 PAGE 386

15:051-25019-0000

EXHIBIT "A"

attached to and made a part of that certain
Declaration of Pooling and Unitization dated January 4, 2000.

LEASE #1

LESSOR:

Jack Teeters and Frances R. Teeters Trust, Jack Teeters and
Frances R. Teeters, Co-Trustees

LESSEE:

J. Fred Hambright

LEASE DATE:

December 10, 1999

DESCRIPTION:

Township 11 South, Range 19 West
Section 2: W/2 NW/4, N/2 SW/4
Ellis County, Kansas

RECORDING DATA: Book 479, Page 615

LEASE #2

LESSOR:

Robert H. Brown and Ann M. Brown, his wife,

LESSEE:

J. Fred Hambright

LEASE DATE:

February 4, 1997

DESCRIPTION:

Township 11 South, Range 19 West
Section 2: N/2 SW/4 & W/2 NW/4
Ellis County, Kansas

RECORDING DATA: Book 438, Page 653

LEASE #3

LESSOR:

The Yuma Oil Company, O.J. Connell, Jr., President

LESSEE:

J. Fred Hambright

LEASE DATE:

February 4, 1997

DESCRIPTION:

Township 11 South, Range 19 West
Section 2: N/2 SW/4 & W/2 NW/4
Ellis County, Kansas

RECORDING DATA: Book 438, Page 637

LEASE #4

LESSOR:

Earnest E. Findelss and Cheryl J. Findelss, his wife

LESSEE:

J. Fred Hambright

LEASE DATE:

February 4, 1997

DESCRIPTION:

Township 11 South, Range 19 West
Section 2: N/2 SW/4 & W/2 NW/4
Ellis County, Kansas

RECORDING DATA: Book 438, Page 645

LEASE #5

LESSOR:

Gerald C. Brown and Joan C. Brown, his wife,

LESSEE:

J. Fred Hambright

LEASE DATE:

February 4, 1997

DESCRIPTION:

Township 11 South, Range 19 West
Section 2: N/2 SW/4 & W/2 NW/4
Ellis County, Kansas

RECORDING DATA: Book 438, Page 649

15-051-25019-0000

LEASE #6
LESSOR: Ted C. Findeiss and Martha M. Findeiss, his wife,
LESSEE: J. Fred Hambright
LEASE DATE: February 4, 1997
DESCRIPTION: Township 11 South, Range 19 West
Section 2: N/2 SW/4 & W/2 NW/4
Ellis County, Kansas
RECORDING DATA: Book 438, Page 647

LEASE #7
LESSOR: Carl H. Brown and Sherma L. Brown, his wife,
LESSEE: J. Fred Hambright
LEASE DATE: February 4, 1997
DESCRIPTION: Township 11 South, Range 19 West
Section 2: N/2 SW/4 & W/2 NW/4
Ellis County, Kansas
RECORDING DATA: Book 438, Page 651

LEASE #8
LESSOR: John H. Wenzel and Esther L. Wenzel, his wife
LESSEE: J. Fred Hambright
LEASE DATE: February 8, 1997
DESCRIPTION: Township 11 South, Range 19 West
Section 2: N/2 SW/4 & W/2 NW/4
Ellis County, Kansas
RECORDING DATA: Book 438, Page 655

LEASE #9
LESSOR: Pamela Peters and D. Mark Peters, her husband
LESSEE: J. Fred Hambright
LEASE DATE: February 8, 1997
DESCRIPTION: Township 11 South, Range 19 West
Section 2: N/2 SW/4 & W/2 NW/4
Ellis County, Kansas
RECORDING DATA: Book 438, Page 639

LEASE #10
LESSOR: Christine Miller and Gregory Miller, her husband
LESSEE: J. Fred Hambright
LEASE DATE: February 8, 1997
DESCRIPTION: Township 11 South, Range 19 West
Section 2: N/2 SW/4 & W/2 NW/4
Ellis County, Kansas
RECORDING DATA: Book 438, Page 641

LEASE #11
LESSOR: Carl R. Findeiss and Helen Mary Findeiss, his wife
LESSEE: J. Fred Hambright
LEASE DATE: February 6, 1997
DESCRIPTION: Township 11 South, Range 19 West
Section 2: N/2 SW/4 & W/2 NW/4
Ellis County, Kansas
RECORDING DATA: Book 438, Page 643

15057-25019-0000

LEASE #12

LESSOR: Adolph Billinger and Margaret Billinger, his wife

LESSEE: J. Fred Hambright

LEASE DATE: January 17, 1997

DESCRIPTION: Township 11 South, Range 19 West

Section 2: E/2 NW/4

Ellis County, Kansas

RECORDING DATA: Book 421, Page 283, Extended in Book 463, Page 450