

FOR KCC USE:

FORM C-1 7/91

FORM MUST BE TYPED

FORM MUST BE SIGNED

ALL BLANKS MUST BE FILLED

EFFECTIVE DATE: 10-5-98

DISTRICT # 1

SEA7...Yes...No

State of Kansas
NOTICE OF INTENTION TO DRILL

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

Expected Spud Date October 15, 1998
month day year

Spot 20 N & 70 W of W/2 NW
SW NW NW Sec 28 Twp 18 East
S, Rg 24 West

OPERATOR: License # 31930
Name: BlueRidge Petroleum Corporation
Address: P.O. Box 385
Ness City, KS 67560
Contact Person: Jonathan Allen
Phone: (785) 398-2673

1300 feet from South North line of Section
530 feet from East West line of Section
IS SECTION X REGULAR IRREGULAR?

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

(NOTE: Locate well on the Section Plat on Reverse Side)
County: Ness
Lease Name: Steedlein Well #: 1-28
Field Name: UTP
Is this a Prorated/Spaced Field? yes X no
Target Formation(s): Mississippian
Nearest lease or unit boundary: 590'
Ground Surface Elevation: 2301' 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: 180'
Depth to bottom of usable water: 920'
Surface Pipe by Alternate: 1 X 2
Length of Surface Pipe Planned to be set: 210'
Length of Conductor pipe required: 4500'
Projected Total Depth: 4500'
Formation at Total Depth: Mississippian
Water Source for Drilling Operations:
well farm pond X other

Well Drilled For: Well Class: Type Equipment:
X Oil ... Enh Rec X Infield X Mud Rotary
... Gas ... Storage X Pool Ext. ... Air Rotary
... OWMO ... Disposal ... Wildcat ... Cable
... Seismic; ... # of Holes ... Other
If OWMO: old well information as follows:
Operator: Discovery Drilling, Inc.
Well Name: Mississippian
Comp. Date: Old Total Depth

Directional, Deviated or Horizontal wellbore? yes X no
If yes, true vertical depth: 590'
Bottom Hole Location: 590'

Will Cores Be Taken? yes X no
If yes, proposed zone: Mississippian

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: 9-29-98 Signature of Operator or Agent: Jonathan Allen Title: Vice President

FOR KCC USE: API # 15- 135-740620000
Conductor pipe required NONE feet
Minimum surface pipe required 200 feet per Alt. X(2)
Approved by: JK 9-30-98
This authorization expires: 3-30-99
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: _____ Agent: _____

9-30-98
RECEIVED
KANSAS CONSERVATION
DIVISION
OCT 1 1998
28
18
24W

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.

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

PLAT OF ACREAGE ATTRIBUTABLE TO A WELL IN A PRORATED OR SPACED FIELD

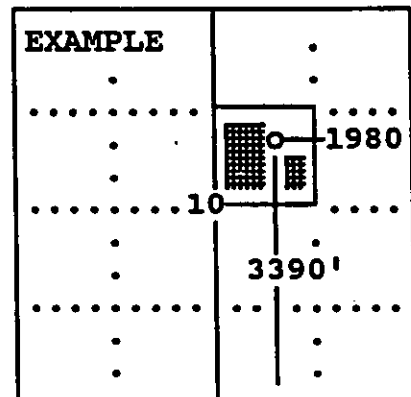
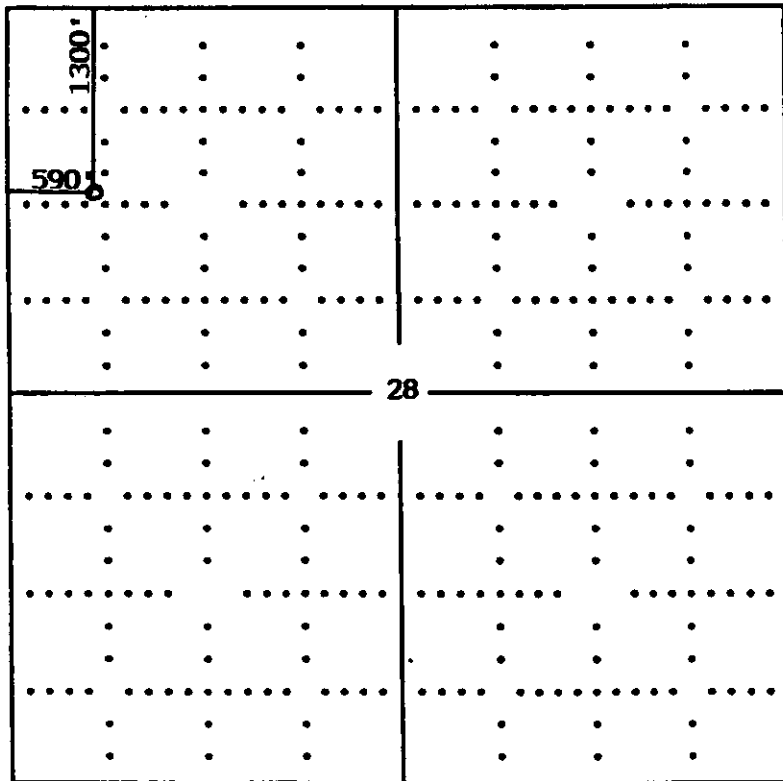
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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 BlueRidge Petroleum Corporation LOCATION OF WELL: COUNTY Ness
 LEASE Stoecklein 1300 feet from south (north) line of section
 WELL NUMBER #1-28 590 feet from east (west) line of section
 FIELD _____ SECTION 28 TWP 18S RG 24W

NUMBER OF ACRES ATTRIBUTABLE TO WELL _____ IS SECTION X REGULAR or _____ IRREGULAR
 QTR/QTR/QTR OF ACREAGE SW - NW - NW **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.