

For KCC Use: 4-9-02  
Effective Date: \_\_\_\_\_  
District #: \_\_\_\_\_  
SGA?  Yes  No

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
**NOTICE OF INTENT TO DRILL**

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

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

Expected Spud Date 4-1-02  
month day year

Spot: AP SW - SW SE SW Sec. 4 Twp. 18 S. R. 24  
 East  
 West  
100 feet from S N (circle one) Line of Section  
1440 feet from E W (circle one) Line of Section  
Is SECTION  Regular  Irregular?

OPERATOR: License# 5474  
Name: Northern Lights Oil Co., LC  
Address: P.O. Box 164  
City/State/Zip: Andover, KS 67002  
Contact Person: Kurt Smith  
Phone: 316-733-1515 #12

(Note: Locate well on the Section Plat on reverse side)  
County: Ness  
Lease Name: Wells Well #: 1-4  
Field Name: WC

CONTRACTOR: License# 4958  
Name: Mallard JV

Is this a Prorated / Spaced Field?  Yes  No  
Target Formation(s): Cherokee  
Nearest Lease or unit boundary: 540'

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

Ground Surface Elevation: 2302 feet MSL  
Water well within one-quarter mile:  Yes  No  
Public water supply well within one mile:  Yes  No

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

Depth to bottom of fresh water: 180  
Depth to bottom of usable water: 1100  
Surface Pipe by Alternate: 1  2

Directional, Deviated or Horizontal wellbore?  Yes  No  
If Yes, true vertical depth: \_\_\_\_\_  
Bottom Hole Location: \_\_\_\_\_  
KCC DKT #: \_\_\_\_\_

Length of Surface Pipe Planned to be set: 240'  
Length of Conductor Pipe required: NONE  
Projected Total Depth: 4500  
Formation at Total Depth: Mississippian

Water Source for Drilling Operations:  
Well \_\_\_\_\_ Farm Pond  Other \_\_\_\_\_  
DWR Permit #: \_\_\_\_\_  
(Note: Apply for Permit with DWR )

\* Pooling Agreement

Will Cores be taken?  Yes  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 \_\_\_\_\_ 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.

RECEIVED  
APR 01 2002  
KCC WICHITA

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.  
Date: 3-25-02 Signature of Operator or Agent: \_\_\_\_\_ Title: Exploration Manager

For KCC Use ONLY  
API # 15 - 135-24177-00 00  
Conductor pipe required NONE feet  
Minimum surface pipe required 200 feet per Alt.  2  
Approved by: RJP 4-4-2002  
This authorization expires: 10-4-2002  
(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.

4  
18  
24

### 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: \_\_\_\_\_  
 Lease: \_\_\_\_\_  
 Well Number: \_\_\_\_\_  
 Field: \_\_\_\_\_  
 Number of Acres attributable to well: \_\_\_\_\_  
 QTR / QTR / QTR of acreage: \_\_\_\_\_

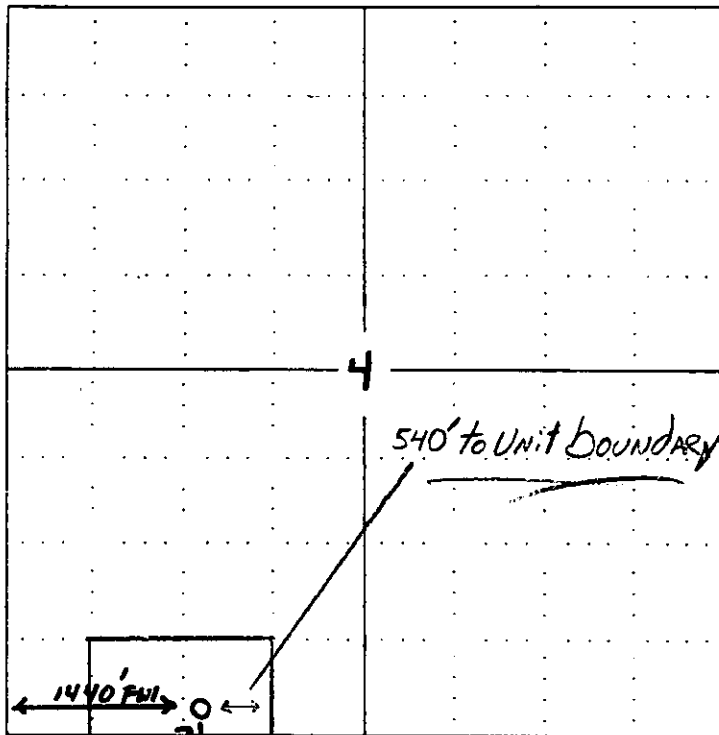
Location of Well: County: \_\_\_\_\_  
 \_\_\_\_\_ feet from S / N (circle one) Line of Section  
 \_\_\_\_\_ feet from E / W (circle one) Line of Section  
 Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  East  West  
 Is Section \_\_\_\_\_ Regular or \_\_\_\_\_ Irregular  
 If Section is Irregular, locate well from nearest corner boundary.  
 Section corner used: \_\_\_NE \_\_\_NW \_\_\_SE \_\_\_SW

#### PLAT

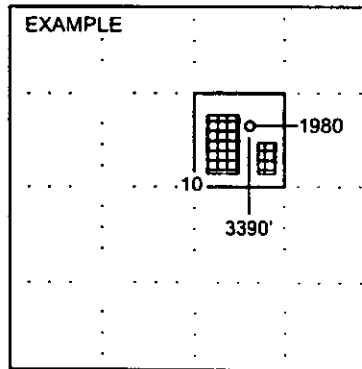
(Show location of the well and shade attributable acreage for prorated or spaced wells.)  
 (Show footage to the nearest lease or unit boundary line.)

24W

18S



#1-4 Wells  
NESS CO., KS



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

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).

Northern Lights

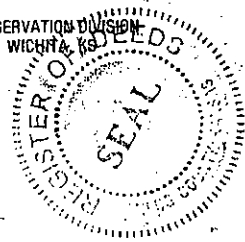
APR 04 2002

Wells 1-4

4-18-24

API 15-135-24177-000

STATE OF KANSAS }  
NESS COUNTY } R-T-W  
FILED FOR RECORD THIS 2 DAY OF Apr  
2002 AT 9:40 O'CLOCK A.M. RECORDED IN  
BOOK 275 PAGE 12  
FEE \$8.00 REGISTER OF DEEDS  
DEPUTY



DECLARATION OF POOLING

WHEREAS, GRAND MESA OPERATING COMPANY is the owner of record of the Oil and Gas Lease described as follows:

Lessor: Richard H. Potter and Peggy D. Potter, husband and wife  
Lessee: Grand Mesa Operating Company  
Date: June 18, 2001  
Recorded: Book 271, Page 575  
Description: Township 18 South, Range 24 West  
Section 9: North Half (N/2)  
Ness County, Kansas

WHEREAS, the above-captioned lease has been amended by that certain Amendment to Oil and Gas Lease dated March 5, 2002, to grant the right, power and privilege to the Lessee or its assigns to pool or combine the acreage set out in said Amendment so as to form an oil production unit which in Lessee's judgment is necessary or advisable in order to properly develop and operate the premises; and

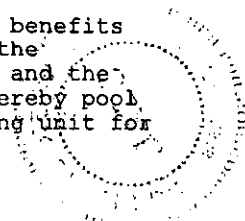
WHEREAS, OSAGE RESOURCES is the owner of record of the Oil and Gas Lease described as follows:

Lessor: Lon E. Wells, Jr., Executor of the estate of B. R. Jones, Deceased; Lon E. Wells, Jr., and Eleanor R. Wells, his wife; Patricia A. Bott and Donald J. Bott, Trustees of the Patricia A. Bott Trust U/A dated 6/16/97; Janice Scott and Tom Scott, her husband; Brenda Irvin and Reggie Irvin, her husband  
Lessee: Osage Resources  
Date: January 10, 2000  
Recorded: Book 265, Page 571  
Description: Township 18 South, Range 24 West  
Section 4: Southwest Quarter (SW/4)  
Ness County, Kansas

which lease grants the right, power and privilege to the Lessee or its assigns to pool or combine the acreage covered by said Oil and Gas Lease so as to form an oil production unit, and,

WHEREAS, the undersigned desire to pool the Oil and Gas Leases described above so as to form a separate operating unit for the production of oil.

NOW, THEREFORE, in consideration of the mutual benefits to be derived herefrom, the undersigned hereby exercise the privileges and options granted in the Oil and Gas Leases and the Amendment to Oil and Gas Lease described above, and do hereby pool such Oil and Gas Leases so as to form a separate operating unit for the production of oil as follows:



APR 04 2002

CONSERVATION DIVISION  
WICHITA, KS

Northeast Quarter of the Northwest Quarter of  
the Northwest Quarter (NE/4 NW/4 NW/4) and  
Northwest Quarter of the Northeast Quarter of  
the Northwest Quarter (NW/4 NE/4 NW/4) of Section  
9, Township 18 South, Range 24 West, and  
Southeast Quarter of the Southwest Quarter of  
the Southwest Quarter (SE/4 SW/4 SW/4) and  
Southwest Quarter of the Southeast Quarter of  
Southwest Quarter (SW/4 SE/4 SW/4) of Section  
4, Township 18 South, Range 24 West, Ness  
County, Kansas,

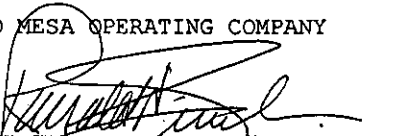
containing forty (40) acres, more or less, and the undersigned do  
hereby give public notice of such pooling.

IN WITNESS WHEREOF, the undersigned have set their hands  
and seals this 1st day of April, 2002 but to be  
effective March 5, 2002.


GRAND MESA OPERATING COMPANY

OSAGE RESOURCES, a Division  
of Osage Door Co., Inc.

By:

  
Ronald N. Sinclair  
President

By:

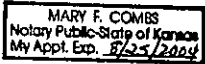
  
Thomas M. Sutherland

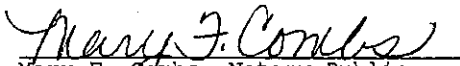
STATE OF KANSAS )  
                          ) SS  
COUNTY OF SEDGWICK )

The foregoing instrument was acknowledged before me this  
1st day of April, 2002, by, Ronald N. Sinclair,  
President of Grand Mesa Operating Company, for the corporation.

My Commission Expires:

August 25, 2004



  
Mary F. Combs, Notary Public  
8515 S. West Street  
Haysville, KS 67060 (1040)

STATE OF KANSAS )  
                          ) SS  
COUNTY OF SEDGWICK )

The foregoing instrument was acknowledged before me this  
1st day of APRIL, 2002, by, Thomas M. Sutherland,  
President of Osage Door Co., Inc., for the corporation.

My Commission Expires:



  
Notary Public  
2 KURT L. SMITH