

For KCC Use
Effective Date: 7-15-2002
District # 1
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

AP 40'W #150'N of

Expected Spud Date July 15 2002
month day year

Spot C N/2 S/2 Sec. 9 Twp. 18 S. R. 24 East West
2130 feet from (S) (circle one) Line of Section
2600 feet from (E) (circle one) Line of Section
Is SECTION Regular Irregular?

OPERATOR: License# 9855
Name: Grand Mesa Operating Company
Address: 200 E. First St., Ste 307
City/State/Zip: Wichita KS 67202
Contact Person: Ronald N. Sinclair
Phone: 316-265-3000

(Note: Locate well on the Section Plat on reverse side)
County: Ness
Lease Name: Wells Well #: 1-9
Field Name: Wildcat

CONTRACTOR: License# 4958
Name: Mallard JV, Inc.

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Cherokee Sand
Nearest Lease or unit boundary: 510'

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

Ground Surface Elevation: 2292 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: 1000
Surface Pipe by Alternate: 1 2

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

Length of Surface Pipe Planned to be set: 200
Length of Conductor Pipe required: 0 NONE
Projected Total Depth: 4500

Directional, Deviated or Horizontal wellbore? Yes No
If Yes, true vertical depth: RECEIVED
Bottom Hole Location: KANSAS CORPORATION COMMISSION
KCC DKT #: _____

Formation at Total Depth: Cherokee or Mississippian
Water Source for Drilling Operations:
Well _____ Farm Pond _____ Other Creek
DWR Permit #: _____

(Note: Apply for Permit with DWR)
Will Cores be taken? Yes No
If Yes, proposed zone: _____

JUL 09 2002

AFFIDAVIT

* POOLED 40 ACRE UNIT

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: 7/9/02 Signature of Operator or Agent: Ronald N. Sinclair Title: President

For KCC Use ONLY
API # 15 - 135-24186-00-00
Conductor pipe required NONE feet
Minimum surface pipe required 200 feet per Alt. ②
Approved by: RJP 7-10-2002
This authorization expires: 1-10-2003
(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 prorator 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.

6
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: Grand Mesa Operating Company
 Lease: Wells
 Well Number: 1-9
 Field: Wildcat
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: _____

Location of Well: County: Ness

2130 feet from S / N (circle one) Line of Section
2600 feet from E / W (circle one) Line of Section
 Sec. 9 Twp. 18 S. R. 24 East West

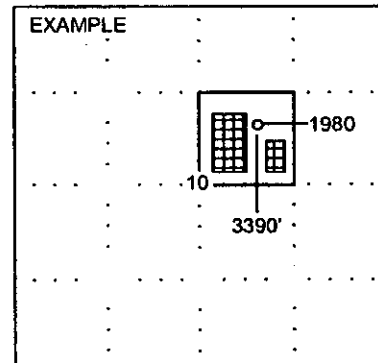
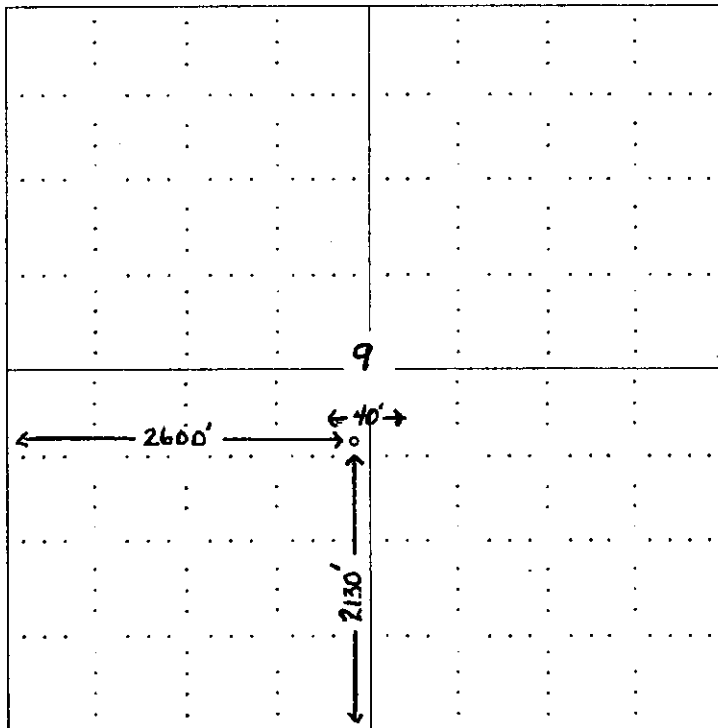
Is Section X Regular or _____ Irregular

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 acreage for prorated or spaced wells.)
 (Show footage to the nearest lease or unit boundary line.)



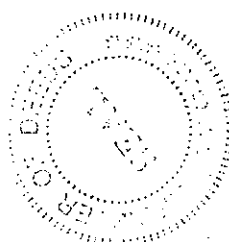
SEWARD CO.

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

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).

STATE OF KANSAS
NESS COUNTY
FILED FOR RECORD THIS 3 DAY OF July
2002 AT 9:00 O'CLOCK AM RECORDED IN
BOOK 276 PAGE 165
REGISTER OF DEEDS
FEE \$8.00 TECH FUND \$4.00



RECEIVED
KANSAS CORPORATION COMMISSION
15-135-24186-0000
JUL 09 2002

CONSERVATION DIVISION
WICHITA, KS

CORRECTIVE
DECLARATION OF POOLING

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

Lessor: Gary A. Schuler and Mary E. Schuler, husband and wife
Lessee: Grand Mesa Operating Company
Date: June 5, 2002
Recorded: Book 276, Page 15
Description: Township 18 South, Range 24 West
Section 9: West Half of the
Southeast Quarter (W/2 SE/4)
Ness County, Kansas

Lessor: Kenneth F. Schuler, a single man
Lessee: Grand Mesa Operating Company
Date: June 5, 2002
Recorded: Book 276, Page 17
Description: Township 18 South, Range 24 West
Section 9: West Half of the
Southeast Quarter (W/2 SE/4)
Ness County, Kansas

Lessor: Lon E. Wells and Eleanor R. Wells, husband and wife
Lessee: Grand Mesa Operating Company
Date: May 23, 2000
Recorded: Book 266, Page 685
Description: Township 18 South, Range 24 West
Section 9: Southwest Quarter (SW/4)
Ness County, Kansas

Lessor: Patricia A. Bott Trust dated June 16, 1997
Lessee: Grand Mesa Operating Company
Date: May 23, 2000
Recorded: Book 266, Page 679
Description: Township 18 South, Range 24 West
Section 9: Southwest Quarter (SW/4)
Ness County, Kansas

Lessor: Brenda Kay Irvin and Reggie Irvin, wife and husband
Lessee: Grand Mesa Operating Company
Date: May 23, 2000
Recorded: Book 266, Page 681
Description: Township 18 South, Range 24 West
Section 9: Southwest Quarter (SW/4)
Ness County, Kansas

Lessor: Janice Scott f/k/a Janice Lohrenz and Tom Scott, wife and husband
Lessee: Grand Mesa Operating Company
Date: May 23, 2000
Recorded: Book 266, Page 683
Description: Township 18 South, Range 24 West
Section 9: Southwest Quarter (SW/4)
Ness County, Kansas

WHEREAS, the above-captioned leases grant the right, power and privilege to the Lessee or its assigns to pool or combine the acreage set out in said Leases 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, 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 do hereby pool such Oil and Gas Leases so as to form a separate operating unit for the production of oil as follows:

Township 18 South, Range 24 West

Section 9: W/2 NW/4 SE/4
E/2 NE/4 SW/4
Ness County, Kansas

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

This Corrective Declaration of Pooling has been made to replace and supersede that Declaration of Pooling dated June 24, 2002, and recorded in Book 276 at Page 71 of the records of Ness County, Kansas.

IN WITNESS WHEREOF, the undersigned have set their hands and seals this 2nd day of July, 2002, but effective June 24, 2002.

~~GRAND MESA OPERATING COMPANY~~

By: *Ronald N. Sinclair*
Ronald N. Sinclair
President

STATE OF KANSAS)
) SS
COUNTY OF SEDGWICK)

The foregoing instrument was acknowledged before me this 2nd day of July, 2002, by, Ronald N. Sinclair, President of Grand Mesa Operating Company, for the corporation.

My Commission Expires:

August 25, 2004

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

