

EFFECTIVE DATE: 10-8-96

State of Kansas

DISTRICT # 1

NOTICE OF INTENTION TO DRILL

SGA? Yes No

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

Expected Spud Date OCTOBER 1996
month day year

Spot SE East
SW West

OPERATOR: License # 4243
Name: Cross Bar Petroleum, Inc./L. D. Drilling, Inc.
Address: 151 N. Main, Suite 630
City/State/Zip: Wichita, KS 67202-1407
Contact Person: Albert Breusing
Phone: 316-265-2279

2310 feet from South North line of Section
1665 feet from East West line of Section
IS SECTION X REGULAR IRREGULAR?

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

CONTRACTOR: License #: 6039
Name: L. D. DRILLING, INC.

County: RUSH

Lease Name: HAGERMAN OWWO Well #: 1-20

Field Name: Wildcat

Is this a Prorated/Spaced Field? yes no

Target Formation(s): Arbuckle

Nearest lease or unit boundary: 330'

Ground Surface Elevation: 2091 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: 360' 380'

Surface Pipe by Alternate: X 1 ~~X 2~~

Length of Surface Pipe ~~Planned to be set~~: 1213'

Length of Conductor pipe required: N/A

Projected Total Depth: 3800'

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: Double 'B Oil, Inc.

Well Name: #1 Lester Hagerman

Comp. Date: 11-15-86 Old Total Depth 3870'

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

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:

RECEIVED
KANSAS CORPORATION COMMISSION
10-3-96
OCT 03 1996

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 CONSERVATION DIVISION;
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: 10-3-96 Signature of Operator or Agent: J. Ann Thaden Title: LAND & PRODUCTION ADMIN...

FOR KCC USE:
 API # 15- 165-213640001
 Conductor pipe required NONE feet
 Minimum surface pipe required 1213 feet per Alt. (1) X
 Approved by: JK 10-3-96
 This authorization expires: 4-3-97
 (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.

20
19
1996

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

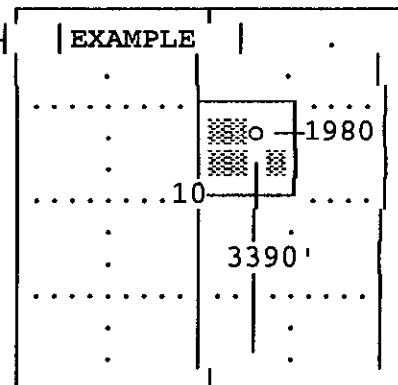
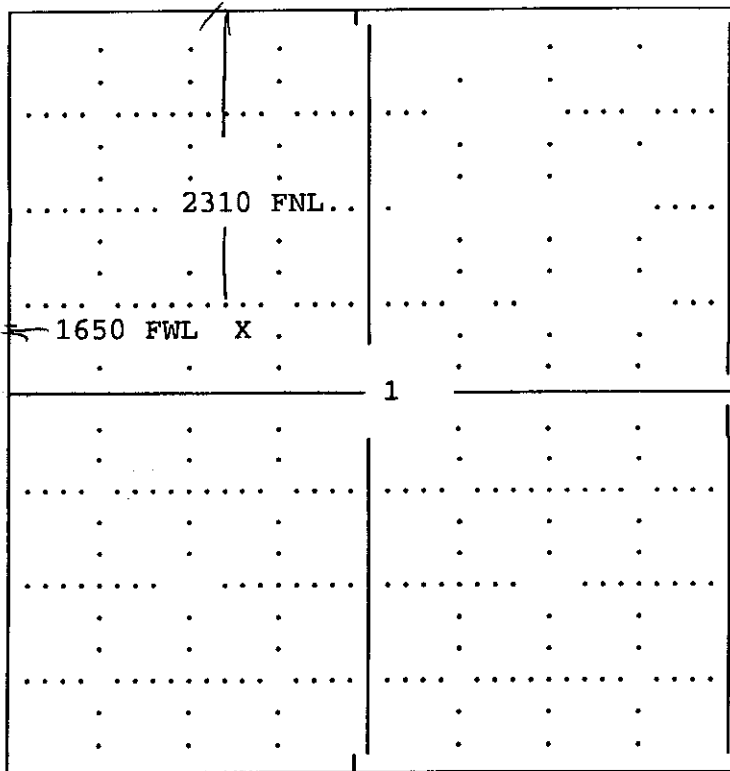
PLAT OF ACREAGE ATTRIBUTABLE TO A WELL IN A PRORATED OR SPACED FIELD

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 CROSS BAR PETROLEUM, INC./L. D. DRILLING, INC.
 LEASE HAGERMAN LOCATION OF WELL: COUNTY RUSH
 WELL NUMBER 1-20 2310 feet from south (north) line of section
 FIELD WILDCAT 1650 feet from east (west) line of section
 SECTION 20 TWP 19S RG 16W
 NUMBER OF ACRES ATTRIBUTABLE TO WELL 160 IS SECTION X REGULAR or IRREGULAR
 QTR/QTR/QTR OF ACREAGE - - - NW **IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST CORNER BOUNDARY.**
 Section corner used: NE X 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.)
 T19S-R16W RUSH CO., KS



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.