

FOR KCC USE:

EFFECTIVE DATE: 5-19-96

DISTRICT # 2

SEAT: Yes No

FORM C-1 7/91

FORM MUST BE TYPED

FORM MUST BE SIGNED

ALL BLANKS MUST BE FILLED

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 APRIL 29 1996
month day year

Spot NW SE NE Sec 9 Twp 31 S Rg 8 East West

OPERATOR: License # 5923
Name: AMERICAN PETROLEUM COMPANY, INC.
Address: HCR 69 BOX 413-2
City/State/Zip: SUNRISE BEACH, MISSOURI 65079
Contact Person: JIM BARVAIS
Phone: (573) 374-7266

1650 feet from ... line of Section
990 feet from ... line of Section

IS SECTION X REGULAR IRREGULAR?

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

County: HARPER

Lease Name: WARREN Well #: 3

Field Name: SPIVEY-GRABS

Is this a Prorated/Spaced Field? X yes no

Target Formation(s): MISSISSIPPI

Nearest lease or unit boundary: 330'

Ground Surface Elevation: 1650' 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: 120'

Depth to bottom of usable water: 180'

Surface Pipe by Alternate: X 1 2

Length of Surface Pipe Planned to be set: 240'

Length of Conductor pipe required: NONE REQUIRED

Projected Total Depth: 4500'

Formation at Total Depth: MISSISSIPPI

Water Source for Drilling Operations:

X well ... farm pond ... other

DWR Permit #: APPLY FOR FROM DWR

Will Cores Be Taken?: yes X no

If yes, proposed zone:

Well Drilled For: Well Class: Type Equipment:
X Oil ... Enh Rec X Infield X Mud Rotary
... Gas ... Storage ... Pool Ext. ... Air Rotary
... OWD ... Disposal ... Wildcat ... Cable
... Seismic; ... # of Holes ... Other

If OWD: old well information as follows: N/A

Operator:

Well Name:

Comp. Date: Old Total Depth

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

If yes, true vertical depth:

Bottom Hole Location:

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 IS 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: 4-05-96 Signature of Operator or Agent: Title: PRESIDENT

FOR KCC USE:
API # 15- 074-213020000
Conductor pipe required NONE feet
Minimum surface pipe required 200' feet per Alt. (1) X
Approved by: 46 5-14-96
This authorization expires: 11-14-96
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: Agent:

RECEIVED
ANSAN CONSERVATION COMMISSION

APR 08 1996

4-8-96

CONSERVATION DIVISION
WICHITA, KS

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: Conservation Division, 208 Colorado Derby Building, 202 W. First St., Wichita, Kansas 67202-1286.

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW.

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

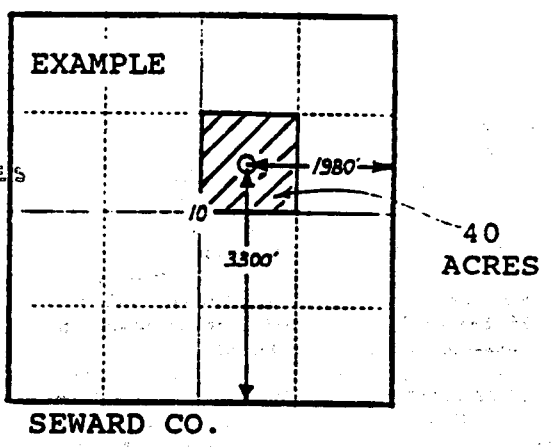
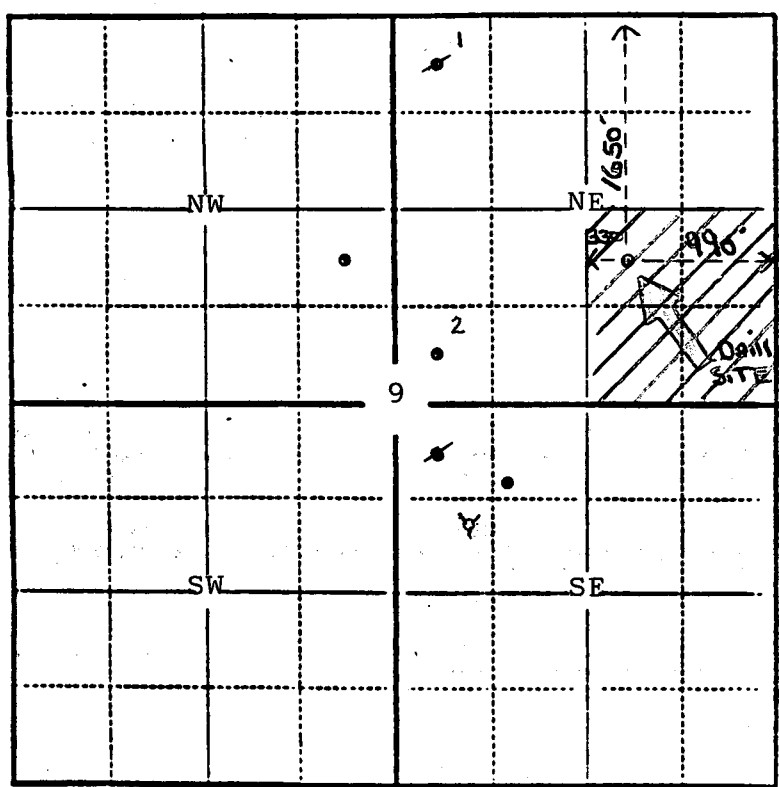
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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 AMERICAN PETROLEUM CO., INC. LOCATION OF WELL: COUNTY HARPER
 LEASE WARREN 1650 feet from ~~south~~/north line of section
 WELL NUMBER 3 990 feet from east/~~west~~ line of section
 FIELD SPIVEY-GRABS SECTION 9 TWP 31 RG 8W

NUMBER OF ACRES ATTRIBUTABLE TO WELL 40 IS SECTION X REGULAR or IRREGULAR
 QTR/QTR/QTR OF ACREAGE NW - SE - NE **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.)



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 lines; and
- 3) the distance to the nearest lease or unit boundary line.