

EFFECTIVE DATE: 1-21-96

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 3 24th 96
month day year

Spot NE SW NE Sec 11 Twp 16 S, Rg 26 East X West

OPERATOR: License # 31552
Name: Dennis Kindsvater
Address: P.O. Box 906
City/State/Zip: Dodge City, Kansas 67801
Contact Person: Dennis Kindsvater
Phone: (316) 227-2841

1650 feet from ~~South~~ North line of Section
1650 feet from East / ~~West~~ line of Section
IS SECTION X REGULAR _____ IRREGULAR?

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

County: Ness
Lease Name: Peterson Well #: 2
Field Name: Arnold SW

Is this a Prorated/Spaced Field? yes X no

Target Formation(s): Mississippian

Nearest lease or unit boundary: 1650'

Ground Surface Elevation: 2600 EST 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: 320'

Depth to bottom of usable water: 1250'

Surface Pipe by Alternate: 1 X 2

Length of Surface Pipe Planned to be set: 340'

Length of Conductor pipe required: None

Projected Total Depth: 4600'

Formation at Total Depth: Mississippian

Water Source for Drilling Operations:

well X farm pond other

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

Well Drilled For: Well Class: Type Equipment:

X Oil ... Enh Rec ... Infield X Mud Rotary
... Gas ... Storage X Pool Ext. ... Air Rotary
... OWD ... Disposal ... Wildcat ... Cable
... Seismic; ... # of Holes ... Other
... Other

If OWD: old well information as follows:

Operator: _____
Well Name: _____
Comp. Date: _____ Old Total Depth _____

Directional, Deviated or Horizontal wellbore? yes X no

If yes, true vertical depth: _____

Bottom Hole Location: _____

Will Cores Be Taken?: yes X 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:

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: 1/15/1996 Signature of Operator or Agent: Thomas A. Ak Title: Agent

FOR KCC USE:
 API # 15- 135-239230000
 Conductor pipe required NONE feet
 Minimum surface pipe required 340 feet per Alt. X (2)
 Approved by: JK 1-16-96
 This authorization expires: 7-16-96
 (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.

RECEIVED
STATE COMPLETION COMMISSION
JAN 16 1996
11
18

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

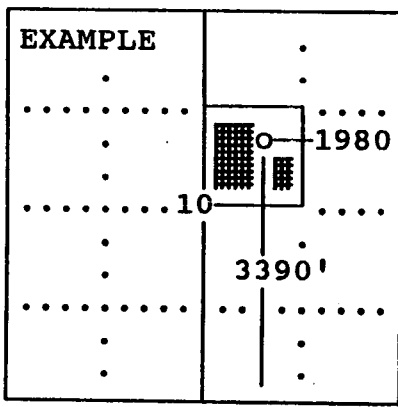
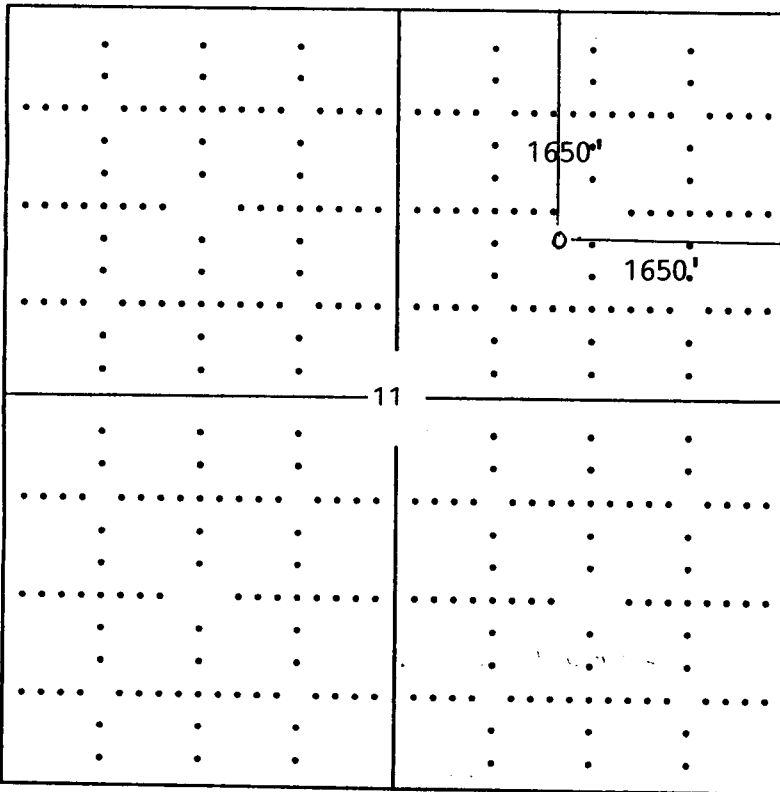
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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 Dennis Kindsvater LOCATION OF WELL: COUNTY Ness
 LEASE Peterson 1650 feet from SOUTH/north line of section
 WELL NUMBER #2 1650 feet from east/WEST line of section
 FIELD Arnold SW SECTION 11 TWP 16s RG 26w

NUMBER OF ACRES ATTRIBUTABLE TO WELL 160 IS SECTION X REGULAR or _____ IRREGULAR
 QTR/QTR/QTR OF ACREAGE NE - SW - NE **IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST CORNER BOUNDARY.**

Section corner used: X 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.

Ness 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.