

EFFECTIVE DATE: 11-25-98

FORM MUST BE TYPED

DISTRICT # 1

State of Kansas
NOTICE OF INTENTION TO DRILL

FORM MUST BE SIGNED

SGA? Yes No

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

ALL BLANKS MUST BE FILLED

Expected Spud Date 12 7 98
month day year

Spot 160 SW of
NW SW SW Sec 35 Twp 18 S, Rg 21 XX East West

OPERATOR: License # 4058
Name: Americian Warrior, Inc.
Address: P.O. Box 399
City/State/Zip: Garden City, KS 67846
Contact Person: Scott Corsair
Phone: 785-398-2270

950 feet from South XXXX line of Section
175 feet from East / West line of Section
IS SECTION X REGULAR _____ IRREGULAR?

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

CONTRACTOR: License #: 31548
Name: Discovery Drilling

County: Ness
Lease Name: Witthuhn Well #: 3-35
Field Name: Ryensee

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

Is this a Prorated/Spaced Field? yes no

Target Formation(s): Cherokee/Mississippian
Nearest lease or unit boundary: 950'
Ground Surface Elevation: 2165 est 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: _____
Comp. Date: _____ Old Total Depth _____

Depth to bottom of fresh water: 180'
Depth to bottom of usable water: 640'

Surface Pipe by Alternate: 1 2
Length of Surface Pipe Planned to be set: 200'

Length of Conductor pipe required: NA
Projected Total Depth: 4220'

Formation at Total Depth: Mississippian
Water Source for Drilling Operations:
 well farm pond other

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:

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: 11-18-98 Signature of Operator or Agent: [Signature] Title: Agent

FOR KCC USE:
API # 15- 135-240670000
Conductor pipe required NONIS feet
Minimum surface pipe required 200 feet per Alt. (2)
Approved by: JK 11-20-98

This authorization expires: 5-20-99
(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 207B, Wichita, Kansas 67202.

RECEIVED
KANSAS CORP COMM
11-20-98 10:01 AM
35 18 21W

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 Warrior, Inc.
 LEASE withuhh
 WELL NUMBER 3-35
 FIELD Ryersee

LOCATION OF WELL: COUNTY Ness

950 feet from south/north line of section

175 feet from east/west line of section

 SECTION 35 TWP 18S RG 21W

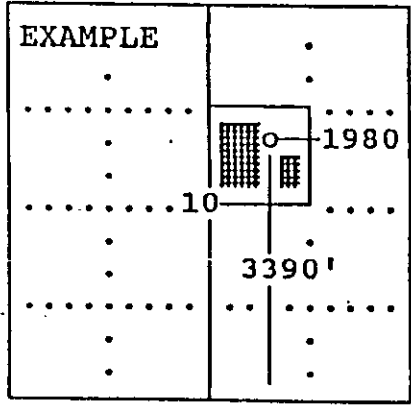
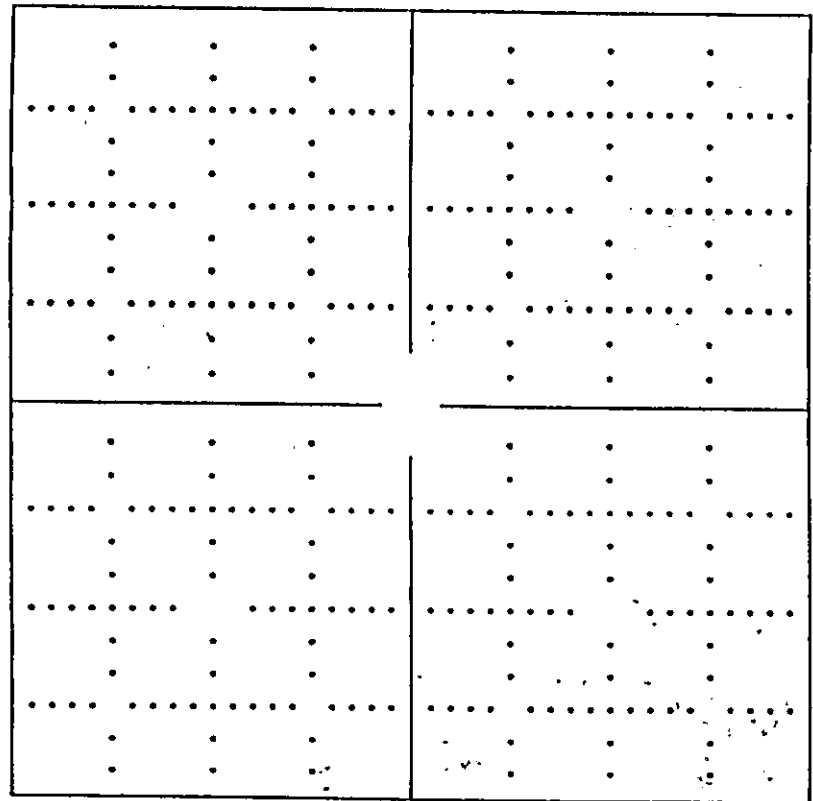
NUMBER OF ACRES ATTRIBUTABLE TO WELL 10
 QTR/QTR/QTR OF ACREAGE NW - SW - SW

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



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.

OIL AND GAS LEASE

Recorder No. 09-140



Form 88-(Producers) (K&O&Co) 1942 Rev. B W

THIS AGREEMENT, Entered into this the 1st day of March 19 88 between Melba I. Witthuhn and Verlyn F. Witthuhn, her husband

hereinafter called lessor. hereinafter called lessee, does witness: American Warrior, Inc.

1. That lessor, for and in consideration of the sum of Ten & other dollars in hand paid and of the covenants and agreements hereinafter contained to be performed by the lessee, has this day granted, leased, and let and by these presents does hereby grant, lease, and let exclusively unto the lessee the hereinafter described land, and with the right to utilize this lease of any part thereof with such oil and gas leases as to all or any part of the lands covered hereby as hereinafter provided, for the purpose of carrying on geological, geophysical and other exploratory work, including core drilling, and the drilling, mining, operating for producing, and saving all of the oil, gas, casinghead gas, casinghead gasolene and all other gases and their respective constituents, vapors, and for constructing roads, laying pipe lines, building tanks, storing oil, building power stations, telephone lines and other structures, erecting necessary oil and coal for the economical operation of said land along or conjointly with neighboring lands, to produce, save, take care of, and manufacture oil of such substances, and for housing and boarding employees, said tract of land with any reversionary rights therein being situated in the County of Ness

State of Kansas and described as follows: /All of Section 34 and the West one-half of Section 35

Township 18 South Range 21 West and containing 960 acrs. more or less.

2. This lease shall remain in force for a term of Two (2) years and as long thereafter as oil, gas, casinghead gas, casinghead gasolene or any of the products covered by this lease is or can be produced.

3. The lessee shall deliver to lessor as royalty, free of cost, on the lease, or into the pipe line to which lessee may connect its wells the equal one-eighth part of all oil produced and saved from the lease premises, or as the lessee's option may pay to the lessor for such one-eighth royalty the market price for oil of like grade and gravity prevailing on the day each oil is run into the pipe line or into storage tanks.

4. The lessee shall pay to lessor for gas produced from any oil well and used by the lessee for the manufacture of gasoline or any other product as royalty 1/8 of the market value of such gas at the mouth of the well; if said gas is sold by the lessee, then as royalty 1/8 of the proceeds of the sale thereof at the mouth of the well. The lessee shall pay lessor as royalty 1/8 of the proceeds from the sale of gas as such as the amount of the well when gas only is found and where such gas is not sold or used, lessee shall pay or tender annually at the end of each yearly period during which such gas is not sold or used, as royalty, an amount equal to the delay rental provided in paragraph 5 hereof, and while said royalty is so paid or tendered this lease shall be held as producing lease under paragraph 7 hereof; if the lessee in fact has gas free from any gas well on the leased premises for storage and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of such gas to be at the lessor's sole risk and expense.

5. If operations for the drilling of a well for oil or gas are not commenced on said land on or before the day of 19 this lease shall terminate as to both parties, unless the lessee shall on or before said date pay or tender to the lessor or for the lessor's credit in the

Bank at _____ or its successors, which Bank and its successors are the lessor's agent and shall continue as the depository of any and all sums payable under this lease regardless of changes of ownership in said land or in the oil and gas or in the rentals to accrue hereunder, the sum of _____ Dollars, which shall operate as a rental and cover the privilege of deferring the commencement of operations for drilling for a period of one year. In like manner and upon like payments or tenders the commencement of operations for drilling may further be deferred for like periods successively. All payments or tenders may be made by check or draft of lessee or any assignee thereof, mailed or delivered on or before the rental paying date, either direct to lessor or assignee or to said depository bank and it is understood and agreed that the condition first recited herein, the above payment, covers not only the privilege granted to the date when said rental is payable as aforesaid, but also the lessee's option of extending that period as aforesaid and any and all other rights conferred. Notwithstanding the death of the lessor or his successors in interest, the payment or tender of rentals in the manner above shall be binding on the heirs, devisees, executors, and administrators of such persons.

6. If at any time prior to the discovery of oil or gas on this land and during the term of this lease, the lessee shall drill a dry hole, or holes on this land, this lease shall not terminate, provided operations for the drilling of a well shall be commenced by the next ensuing rental paying date, or provided the lessee begins or resumes the payment of rentals in the manner and amount hereinafore provided, and in this event the preceding paragraphs hereof governing the payment of rentals and the manner and effect thereof shall continue in force.

7. In case said lessor owns a less interest in the above described land than the entire and undivided fee simple estate herein then the royalties and rentals herein provided for shall be paid the said lessor only in the proportion which his interest bears to the whole and undivided fee. However, such rental shall be increased at the next succeeding rental anniversary after any reversion occurs to cover the interest so acquired.

8. The lessee shall have the right to use, free of cost, gas, oil and water found on said land for its operations thereon, except water from the wells of the lessor. When required by lessee, the lessee shall bury its pipe lines below pipe depth and shall pay for damage caused by its operations to growing crops on said land. No well shall be drilled nearer than 200 feet to the house or barn nor on said premises without written consent of the lessor. Lessee shall have the right at any time during, or after the expiration of, this lease to remove all machinery, fixtures, houses, buildings and other structures placed on said premises, including the right to draw and remove all casing, but lessee shall be under no obligation to do so, nor shall lessee be under any obligation to restore the surface to its original condition, where any alterations or changes were due to operations reasonably necessary under this lease.

9. If the estate of either party herein is assigned (and the privilege of assigning in whole or in part is expressly allowed), the covenants hereof shall extend to the heirs, devisees, executors, administrators, successors, and assigns, but no change of ownership in the land or in the rentals or royalties or any sum due under this lease shall be binding on the lessee until it has been furnished with either the original recorded instrument of conveyance or a duly certified copy thereof or a certified copy of the will of any deceased owner and of the probate thereof, or certified copy of the proceedings showing appointment of an administrator for the estate of any deceased owner, whichever is appropriate, together with all original recorded instruments of conveyance or duly certified copies thereof necessary to showing a complete chain of title back to lessor to the full interest claimed, and all advance payments of certain made hereunder before receipt of said documents shall be binding on any direct or indirect assignee, grantee, devisee, administrator, executor, or heir of lessor.

10. If the leased premises are now or shall hereafter be owned in entirety or in separate tracts, the premises nevertheless shall be developed and operated as one lease, and all royalties accruing hereunder shall be treated as an entirety and paid to such separate owners in the proportion that the acreage owned by each separate owner bears to the entire leased acreage. There shall be no obligation on the part of the lessee to drill wells on separate tracts into which the land covered by this lease may be hereafter divided by sale, devise, descent or otherwise or to furnish separate metering or recording tanks. If in hereby agreed that in the event this lease shall be assigned as to a part or as to parts of the above described land and the holder or owner of any such part or parts shall make default in the payment of the proportionate part of the rent due from him or them, such default shall not operate to affect or affect this lease insofar as it covers a part of said land upon which the lessee or any assignee hereof shall make due payment of said rentals.

11. Lessor hereby warrants and agrees to defend the title to the land herein described and agrees that the lessee, at its option, may pay and discharge in whole or in part any taxes, mortgages, or other liens existing, levied, or assessed on or against the above described lands and, in event it exercises such option, it shall be subject to the rights of any holder of bonds thereof and may reimburse itself by applying to the discharge of any such mortgage, tax or other lien, any royalty or rentals accruing hereunder.

12. Notwithstanding anything to the contrary, it is expressly agreed that if lessee shall commence operations for drilling at any time while this lease is in force, this lease shall remain in force and its term shall continue so long as such operations are prosecuted and, if production results therefrom, then as long as production continues.

13. If within the primary term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate provided operations for the drilling of a well shall be commenced before or on the next ensuing rental paying date; or, provided lessee begins or resumes the payment of rentals in the manner and amount hereinafore provided. If, after the expiration of the primary term of this lease, production on the leased premises shall cease from any cause, this lease shall not terminate provided lessee resumes operations for drilling a well within sixty (60) days from such cessation, and this lease shall remain in force during the prosecution of such operations and, if production results therefrom, then as long as production continues.

14. Lessee may at any time surrender or cancel this lease in whole or in part by delivering or mailing such release to the lessor, as by placing same of record in the proper county. In case said lease is surrendered and cancelled as to only a portion of the acreage covered thereby, then all payments and liabilities thereafter accruing under the terms of said lease as to the portion aforesaid shall cease and terminate and any rentals thereafter paid may be apportioned on an acreage basis, but as to the portion of the acreage not released the terms and provisions of this lease shall continue and remain in full force and effect for all purposes.

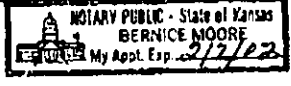
15. All provisions hereof, express or implied, shall be subject to all federal and state laws and the orders, rules, or regulations (and interpretations thereof) of all governmental agencies administering the same, and this lease shall not be in any way terminated wholly or partially nor shall the lessee be liable in damages for failure to comply with any of the express or implied provisions hereof if such failure accords with any such laws, orders, rules or regulations (or interpretations thereof). If lessee should be prevented during the last six months of the primary term hereof from drilling a well hereunder by the order of any court of competent authority having jurisdiction thereover, or if lessee should be unable during said period to drill a well hereunder due to equipment necessary in the drilling thereof not being available on account of any cause, the primary term of this lease shall continue until six months after said order is suspended and/or said equipment is available, but the lessee shall pay delay rentals herein provided during such extended time.

16. The unitization of this lease or any portion thereof with any other lease or leases or portions thereof shall be accomplished by the execution and filing of a governmental recording office of said county of an instrument declaring its purpose to unitize and describing the leases and lands unitized, which unitization shall cover the gas rights on an acreage basis and operations thereon. The royalty provided for herein with respect to gas from gas wells shall be apportioned among the owners of such royalty on minerals produced in the unitized area in the proportion that their interests in the oil interests under the lands within such unitized area bear to the minerals under all of the lands in the unitized area. Any well drilled on such unit shall be for all purposes and under this lease and shall satisfy the rental provision of this lease as to all of the land covered thereby; provided, however, lessee shall be under no obligation, express or implied, to drill more than one gas well on said tract.

17. This lease and all its terms, conditions, and stipulations shall extend to and be binding on all successors of said lessor and lessee.

IN WITNESS WHEREOF, we sign the day and year first above written. Melba I. Witthuhn (SEAL) Verlyn F. Witthuhn (SEAL) SS#: 509-70-1019 (SEAL) SS#: 512-18-0468 (SEAL)

STATE OF KANSAS ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
 COUNTY OF NESS
 The foregoing instrument was acknowledged before me this 14th day of April, 1998
 by Malha J. Witthuhn and _____
Verlyn E. Witthuhn
 My commission expires 2/7/02



Bernice Moore
 Notary Public

STATE OF _____ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
 COUNTY OF _____
 The foregoing instrument was acknowledged before me this _____ day of _____, 19____
 by _____ and _____
 My commission expires _____
 Notary Public

STATE OF _____ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
 COUNTY OF _____
 The foregoing instrument was acknowledged before me this _____ day of _____, 19____
 by _____ and _____
 My commission expires _____
 Notary Public

STATE OF _____ ACKNOWLEDGMENT FOR INDIVIDUAL (KsOkCoNe)
 COUNTY OF _____
 The foregoing instrument was acknowledged before me this _____ day of _____, 19____
 by _____ and _____
 My commission expires _____
 Notary Public

No. _____

OIL AND GAS LEASE

FROM _____

Date _____, 19____

Section _____ Twp. _____ Rge. _____

No. of Acres _____ Term _____

County _____

STATE OF _____

County _____

This instrument was filed for record on the _____ day of _____, 19____

at _____ o'clock _____ M., and duly recorded in Book _____ Page _____ of the records of this office.

By _____ Register of Deeds

When recorded, return in _____

STATE OF _____ ACKNOWLEDGMENT FOR CORPORATION (KsOkCoNe)
 COUNTY OF _____
 The foregoing instrument was acknowledged before me this _____ day of _____, 19____
 by _____ of _____
 corporation, on behalf of the corporation.
 My commission expires _____
 Notary Public