

PERMIT EXTENDED

For KCC Use: Effective Date: 1-9-02 District # 1 SGA? Yes No

KANSAS CORPORATION COMMISSION RECEIVED OIL & GAS CONSERVATION DIVISION STATE CORPORATION COMMISSION

Form C-1 September 1999 Form must be Typed Form must be Signed All blanks must be Filled

NOTICE OF INTENT TO DRILL Must be approved by KCC five (5) days prior to commencing well

Expected Spud Date 1 15 02 month day year

OPERATOR: License# 32302 Name: Key Gas Corp Address: 410 Urban Drive Hutchinson, KS 67501 Contact Person: Rod Andersen Phone: (316) 993-2740

CONTRACTOR: License# 5929 Name: Duke Drilling

Spot Wichita, Kansas East West C E/2 NE Sec. 36 Twp. 32 S. R. 15 1320 feet from S / N (circle one) Line of Section 660 feet from E / W (circle one) Line of Section Is SECTION X Regular Irregular?

County: Barber Lease Name: Carr Well #: 3A-36 Field Name: DeGeer NE

Is this a Prorated / Spaced Field? Yes No Target Information(s): Mississippian

Nearest Lease or unit boundary: 660' Ground Surface Elevation: 1957 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: 150' Depth to bottom of usable water: 180' Surface Pipe by Alternate: X 1 2

Length of Surface Pipe Planned to be set: 320 Length of Conductor Pipe required: NONE Projected Total Depth: 5,200 Producing Formation Target: Mississippian

Water Source for Drilling Operations: Well Farm Pond Other X DWR Permit #:

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

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

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

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

Permit Extension Request Received 7-3-02

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: 1/4/01 Signature of Operator or Agent: Rod Owen Title: Agent

For KCC Use ONLY API # 15 - 007-22698-0000 Conductor pipe required NONE feet Minimum surface pipe required 200 feet per Alt. (1) Approved by: RSP-1-04-2002 This authorization expires: 7-04-2002 / 1-04-03 RSP (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.

36 32 15M

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: Key Gas Corp
 Lease: Carr
 Well Number: #3A-36
 Field: DeGeer NE

Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: _____

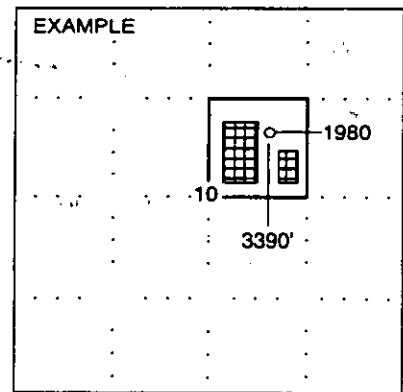
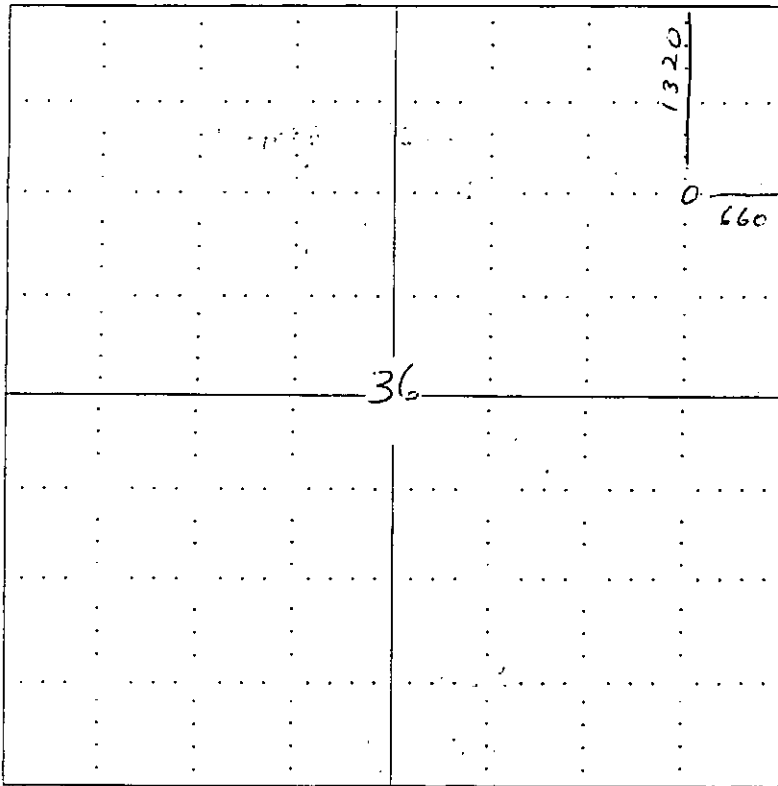
Location of Well: County: Barber
1320 feet from S / N (circle one) Line of Section
660 feet from E / W (circle one) Line of Section
 Sec. 36 Twp. 32 S. R. 15 East West

Is Section X Regular or _____ Irregular

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.

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

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: (C0-7 for oil wells; CG-8 for gas wells).



Duke Drilling Co., Inc.

CONTRACT DRILLING

OIL FIELD HAULING

P.O. Box 823
Great Bend, KS 67530
620/793-8366

100 South Main, Suite 410
Wichita, KS 67202
316/267-1331

July 3, 2002

KANSAS CORPORATION COMMISSION
130 South Market - Room 2078
Wichita, Kansas 67202

ATTENTION: Mr. Robert Petersen

RE: Key Gas Corporation
Carr #3A-36
C-E/2 NE
Section 36-32S-15W
Barber County, Kansas.

API No. 15-007-22698-0000

Gentlemen:

The above referenced Intent to Drill expires on July 4, 2002. Please extend the Intent so the well can be spud on July 5, 2002.

Duke Drilling Rig #8 moved in and rigged up on location on July 3, 2002.

Your prompt attention to this matter is greatly appreciated.

Yours very truly,

DUKE DRILLING CO., INC.

[Mrs.] Sally R. Byers
Administrative Assistant

SRB