

FOR KCC USE:

FORM C-1 7/91

FORM MUST BE TYPED

FORM MUST BE SIGNED

ALL BLANKS MUST BE FILLED

EFFECTIVE DATE: 3-9-98

State of Kansas

DISTRICT # 1
SGA? X Yes No

NOTICE OF INTENTION TO DRILL

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

Expected Spud Date March 9, 1998
month day year

Spot 140'N & 135'W of C- East
C-E/2- E/2 - NW Sec 13 Twp 30S Rg 12W West

OPERATOR: License # 32154
Name: SAGEBRUSH OPERATING L.L.C.
Address: 2 Steele Street Suite 203
City/State/Zip: Denver, Colorado 80206
Contact Person: Bob Jacobsen
Phone: 303/320-3990

4100 feet from South / Mouthline of Section
3105 feet from East / Mouthline of Section
IS SECTION X REGULAR IRREGULAR?

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

CONTRACTOR: License # 5929
Name: DUKE DRILLING CO., INC.

County: Barber

Lease Name: McINTYRE Well #: 1-13

Field Name: KUMBERG SE

Is this a Prorated/Spaced Field? yes X no

Target Formation(s): MISS. VIOLA

Nearest lease or unit boundary: 1180

Ground Surface Elevation: feet MSL

Water well within one-quarter mile: X 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: 300'

Length of Conductor pipe required: N/A

Projected Total Depth: 5000'

Formation at Total Depth: ARBUCKLE

Water Source for Drilling Operations:

 well farm pond X other

Well Drilled For: Well Class: Type Equipment:

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

If OAWO: 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: March 3, 1998 Signature of Operator or Agent: [Signature] Title: Agent

FOR KCC USE: 007-225630000
 API # 15-
 Conductor pipe required NONE feet
 Minimum surface pipe required 200 feet per Alt. (1) X
 Approved by: [Signature] 3-4-98

This authorization expires: 9-4-98
 (This authorization void if drilling not started within 6 months of effective date.)

Spud date: Agent:

RECEIVED
KANSAS CORPORATION COMMISSION

MAR 03 1998

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.

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

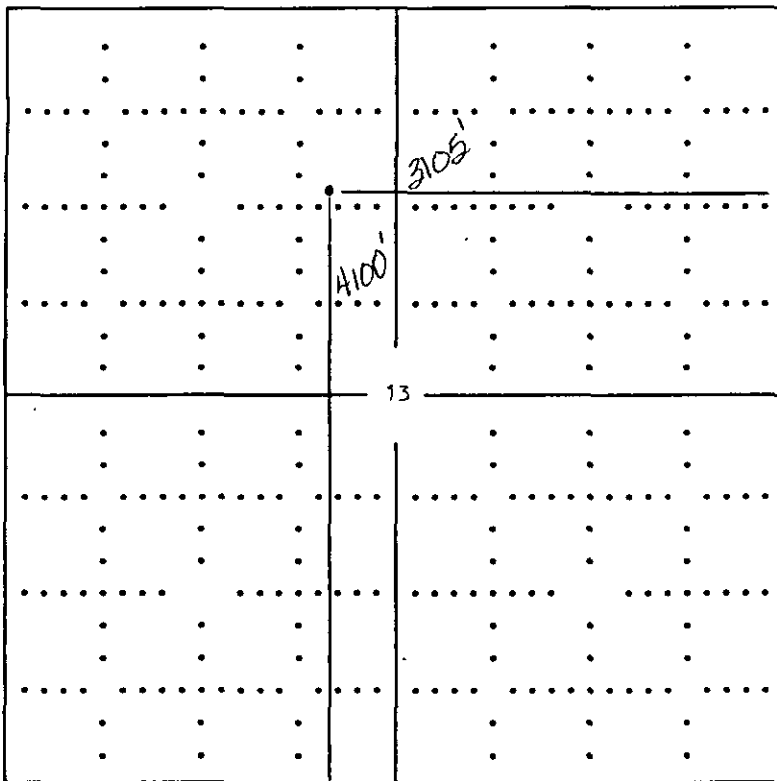
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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 _____ LOCATION OF WELL: COUNTY _____
 LEASE _____ feet from south/north line of section
 WELL NUMBER _____ feet from east/west line of section
 FIELD _____ SECTION _____ TWP _____ RG _____

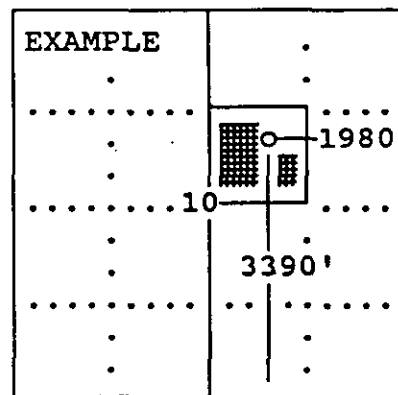
NUMBER OF ACRES ATTRIBUTABLE TO WELL _____ IS SECTION _____ REGULAR or _____ IRREGULAR
 QTR/QTR/QTR OF ACREAGE _____ - _____ - _____ **IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST CORNER BOUNDARY.**
 Section corner used: _____ NE _____ NW _____ SE _____ SW

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.)



BARBER COUNTY



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.