

FOR KCC USE:

FORM C-1 7/91

FORM MUST BE TYPED

FORM MUST BE SIGNED

ALL BLANKS MUST BE FILLED

EFFECTIVE DATE: 4-18-98

State of Kansas

DISTRICT # 1

NOTICE OF INTENTION TO DRILL

SEA? ... Yes... No

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

Expected Spud Date May 24 1998
month day year

Spot 150'S & 270'E of 720
NW - SE - NE Sec 26 Twp 17 S, Rg 43 East West

OPERATOR: License # 32058
Name: DRW Operating Company
Address: P.O. Box 882
City/State/Zip: Franktown, CO 80116-0882
Contact Person: Douglas E. Wood
Phone: 303-629-1523

1800 feet from South / North line of Section
720 feet from East / West line of Section
IS SECTION REGULAR IRREGULAR?

CONTRACTOR: License # 30606
Name: Murfin Drilling

(NOTE: Locate well on the Section Plat on Reverse Side)
County: Greeley
Lease Name: Watson Well #: 1-26
Field Name: Wildcat

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

Is this a Prorated/Spaced Field? ... yes no
Target Formation(s): Morrow
Nearest lease or unit boundary: 720

If OWMO: old well information as follows:
Operator: _____
Well Name: _____
Comp. Date: _____ Old Total Depth _____

Ground Surface Elevation: 3918.8 feet MSL
Water well within one-quarter mile: ... yes no
Public water supply well within one mile: ... yes no

Directional, Deviated or Horizontal wellbore? ... yes no
If yes, true vertical depth: _____
Bottom Hole Location: _____

Depth to bottom of fresh water: 180
Depth to bottom of usable water: 1800
Surface Pipe by Alternate: ... 1 2

Length of Surface Pipe Planned to be set: 335'
Length of Conductor pipe required: N/A
Projected Total Depth: 5370'
Formation at Total Depth: Mississippi
Water Source for Drilling Operations:
... well farm pond ... other

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 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: 4/9/98 Signature of Operator or Agent: Douglas E. Wood Title: President

FOR KCC USE:
 API # 15- 071-206880000
 Conductor pipe required NONE feet
 Minimum surface pipe required 200 feet per Att. (2)
 Approved by: JK 4-13-98
 This authorization expires: 10-13-98
 (This authorization void if drilling not started within 6 months of effective date.)
 Spud date: _____ Agent: _____

RECEIVED
KANSAS CORPORATION COMMISSION

APR 13 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.

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202.

86
17
4300

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.

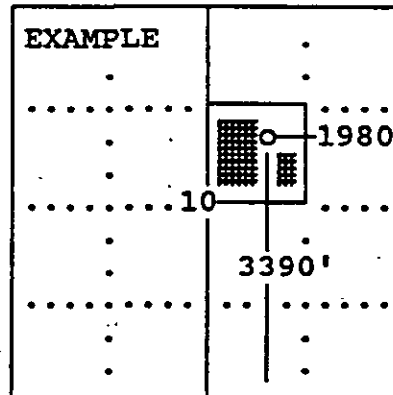
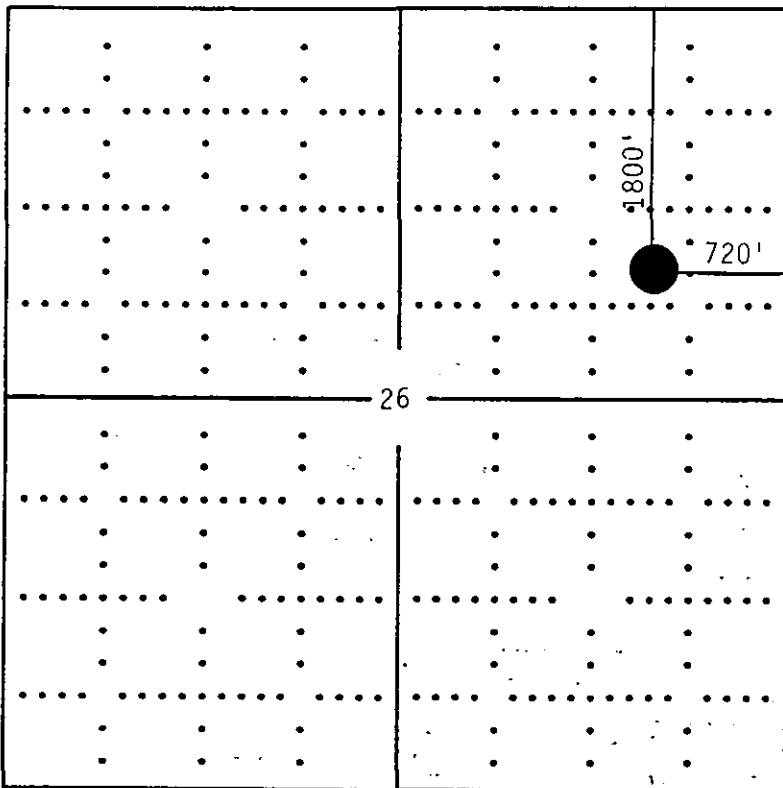
API NO. 15- _____
 OPERATOR _____ LOCATION OF WELL: COUNTY _____
 LEASE _____ feet from south/north line of section
 WELL NUMBER _____ feet from east/west line of section
 FIELD _____ SECTION _____ TWP _____ RG _____

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.)



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.