

FOR KCC USE:

FORM C-1 7/91

EFFECTIVE DATE: 11-29-99

State of Kansas

FORM MUST BE TYPED

DISTRICT # 1

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 December 6 1999

APPROX. Spot W/2 SE SW Sec. 31 Twp 32S Rg 18W

OPERATOR: License # 30931
Name: Daystar Petroleum, Inc./KFG Resources
Address: 1321 W. 93rd N.
City/State/Zip: Valley Center, KS 67147
Contact Person: Charles Schmidt
Phone: 316-755-3523

575 Feet from South line of Section
1665 Feet from East / West line of Section
IS SECTION REGULAR X IRREGULAR?

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

County: COMANCHE

Lease Name: LOUSCH D Well #: 1

Field Name (UN-NAMED)

Is this a Prorated/Spaced Field? Yes X No

Target Formation(s): LKC, PAWNEE, FT. SCOTT, MISS.

Nearest Lease or unit boundary: 1665

Ground Surface Elevation: 2098 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 100

Depth to bottom of usable water 180 240'

Surface Pipe by Alternate: X 1 2

Length of Surface Pipe Planned to be set: 625

Projected Total Depth: 5800

Formation at Total Depth: VIOLA

Water Source for Drilling Operations: Well Farm pond X other

Will cores be Taken? Yes X No

If yes, proposed zone?

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

Well drilled For: Well Class: Type Equipment

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

If OWWO: 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

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 the 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 cement 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: 11-17-99 Signature of Operator or Agent: Charles Schmidt Title: President

FOR KCC USE:
API: # 15- 033-21043 0000
Conductor pipe required NONE feet
Minimum surface pipe required 260 feet per Alt 1 X
Approved by: JK 11-24-99
This authorization expires: 5-24-2000
(This authorization void if drilling not started within 6 month 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.

11-19-1999 31
32
18W
RECEIVED
KANSAS CORP COMM
1999 NOV 19 12:51

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

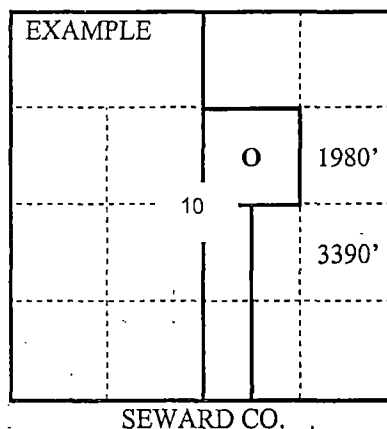
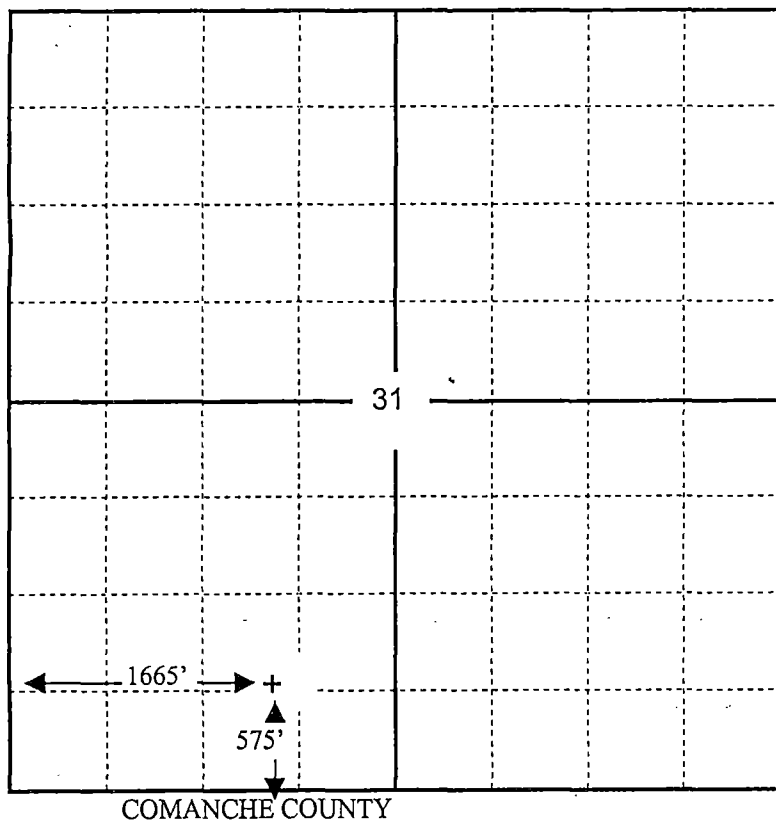
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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 Daystar Petroleum, Inc./KFG Resources LOCATION OF WELL: COUNTY COMANCHE  
 LEASE LOUSCH D 575 Feet from south/~~west~~ line of section  
 WELL NUMBER 1 1665 Feet from ~~east~~ / west line of section  
 FIELD \_\_\_\_\_ SECTION 31 TWP 32S RG 18W

NUMBER OF ACRES ATTRIBUTABLE TO WELL 80 IS SECTION \_\_\_\_\_ REGULAR or X IRREGULAR  
 QTR/QTR/QTR OF ACREAGE \_\_\_\_\_ - S/2 - SW **IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST CORNER BOUNDARY.**  
 Section corner used: \_\_\_\_\_ NE \_\_\_\_\_ NW \_\_\_\_\_ SE X 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.)



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 with 8 surrounding section, 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.