

For KCC Use:
 Effective Date: 8-19-2000
 District # 1
 SGA? Yes No

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL

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

Must be approved by KCC five (5) days prior to commencing well

Expected Spud Date August 14, 2000
month day year

OPERATOR: License# 4058 ✓
 Name: AMERICAN WARRIOR, INC.
 Address: P. O. Box 399
 City/State/Zip: Garden City, Kansas 67846-0399
 Contact Person: Cecil O'Brate
 Phone: 316/275-9231

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

Well Drilled For:	Well Class:	Type Equipment:
<input checked="" type="checkbox"/> Oil ✓	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Infield
<input checked="" type="checkbox"/> Gas ✓	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.
<input type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat
<input type="checkbox"/> Seismic; # of Holes	<input type="checkbox"/> Other	<input type="checkbox"/> Cable
<input type="checkbox"/> Other		

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: RECEIVED
 Bottom Hole Location: KANSAS CORPORATION COMMISSION
 KCC DKT #: _____

Spot 170'S & 130'E of East
SE - NE - NE' Sec. 13 Twp. 33 S. R. 18 West
1160 feet from S / (circle one) Line of Section
200 feet from (circle one) W (circle one) Line of Section
 Is SECTION Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: Comanche
 Lease Name: DALE Well #: 2-13
 Field Name: ANNAMAEE
 Is this a Prorated / Spaced Field? Yes No
 Target Information(s): Arbuckle

* Nearest Lease or unit boundary: 1160' ~ 860' EAST
 Ground Surface Elevation: _____ 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: 120'
 Depth to bottom of usable water: 180'
 Surface Pipe by Alternate: 1 2
 Length of Surface Pipe Planned to be set: 600'+
 Length of Conductor Pipe required: N/A
 Projected Total Depth: 6400'
 Producing Formation Target: Arbuckle
 Water Source for Drilling Operations:
 Well _____ Farm Pond _____ Other ✓
 DWR Permit #: _____
 (Note: Apply for Permit with DWR)
 Will Cores be taken? Yes No
 If Yes, proposed zone: _____

AUG 09 2000
 8-9-00

AFFIDAVIT

LEASE COVERS W/2 of the W/2
 SEC 18 - 33 - 17W

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: 8/9/00 Signature of Operator or Agent: Sally R. Byers Title: Agent
 Sally R. Byers

For KCC Use ONLY

API # 15 - 033-21128-0000

Conductor pipe required NONE feet

Minimum surface pipe required 200 feet per Alt. 1

Approved by: JK 8-14-2000

This authorization expires: 2-14-2001
 (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.

13
33
18W

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plat of acreage attributable to a well in a prorated or spaced field

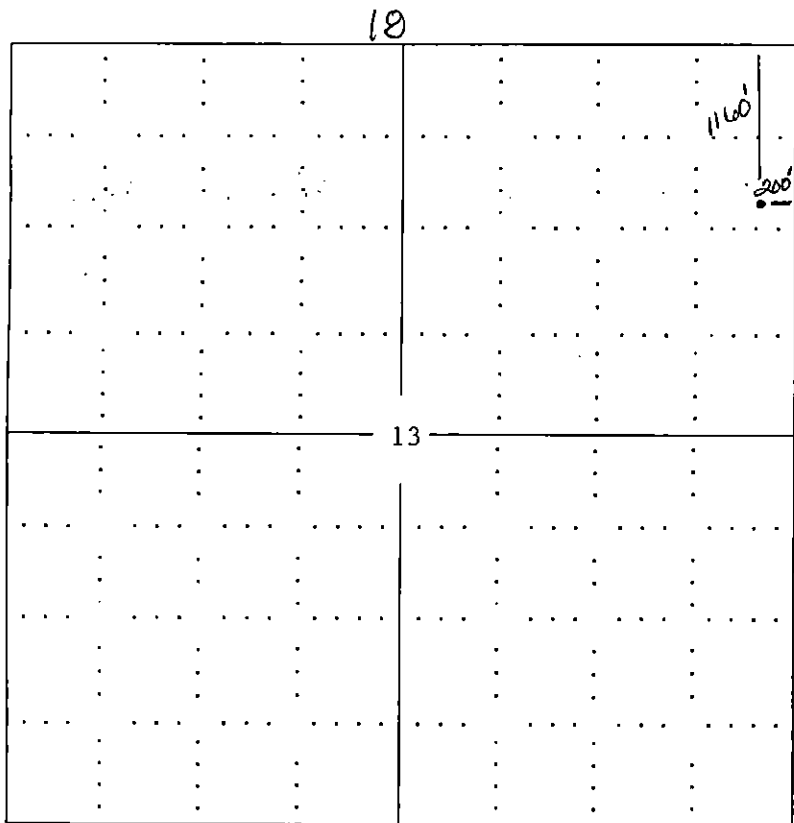
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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: _____
 Lease: _____
 Well Number: _____
 Field: _____
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: _____ - _____ - _____

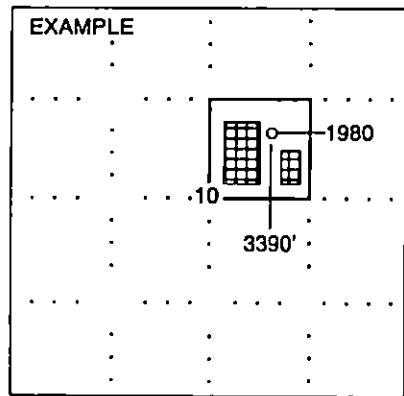
Location of Well: County: _____
 _____ feet from S / N (circle one) Line of Section
 _____ feet from E / W (circle one) Line of Section
 Sec. _____ Twp. _____ S. R. _____ East West
 Is Section _____ Regular or _____ Irregular
 If Section is Irregular, locate well from nearest corner boundary.
 Section 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.)*



33



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

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

RECEIVED
KANSAS CORPORATION COMMISSION

AUG 09 2000
8-9-00
CONSERVATION DIVISION
WICHITA, KS

ASSIGNMENT OF OIL AND GAS LEASES

KNOW ALL MEN BY THESE PRESENTS:

THAT, the undersigned El-Kan Exploration hereinafter called Assignor, for and in consideration of One Dollar (\$1.00), the receipt whereof is hereby acknowledged, does hereby sell, assign, transfer and set over unto American Warrior, Inc., hereinafter called assignee, all right, title and interest in and to those certain oil and gas leases, all located in Comanche County, Kansas, which said leases are listed and shown on Exhibit "A" attached hereto and made a part hereof together with the rights incident thereto and the personal property thereon, appurtenant thereto, or used or obtained in connection therewith.

And for the same consideration the Assignor covenants with the Assignee, its or his heirs, successors, or assigns: That the Assignor is the lawful owner of and has good title to the interest above assigned in and to said leases, free and clear from all liens, encumbrances or adverse claims; that said leases are valid and subsisting leases on the land above described.

Exhibit "A" contains six (6) leases.

EXECUTED, This 22 day of Feb. 2000.

David E. Gilkey
El-Kan Exploration
David E. Gilkey, President

STATE OF KANSAS)
) ss.
COUNTY OF FINNEY)

Before me, the undersigned, a Notary Public, within and for said County and State, on this 22nd day of Feb, 2000, personally appeared David E. Gilkey, President of El-Kan Exploration to me personally known to be the identical person who executed the within and foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission Expires: 11-4-03

Debra J. Purcell
Notary Public

DEBRA J. PURCELL
Notary Public - State of Kansas
My Appt. Expires 11/4/03

PHOTOCOPIED

STATE OF KANSAS, } ss
COMANCHE COUNTY }
This instrument was filed for Record on
the 25 day of February 2000
at 12 o'clock P.m. and duly recorded
In Book 92 Page 661 Fees \$8.00
Stepheth Shuppes
Register of Deeds

EXHIBIT "A"

AUG 09 2000

8-9-00
CONSERVATION DIVISION
WICHITA, KS

Made a part of that certain Assignment dated 2-22-00 by & between El-Kan Exploration, Assignor and American Warrior, Inc., Assignee, of leases in Comanche County, Kansas.

LESSOR	LESSEE	DESCRIPTION	BOOK	PAGE	DATE
Dale Acres, Inc. Linda L. Lytle, P.O.A.	El-Kan Exploration	<u>T 33 S - R 18 W</u> Sec. 13 N ½, N ½ of S ½ 480 acres	92	565	2-16-00
		<u>T 33 S- R 17 W</u> Sec. 18 Lots 1,2, 3, 4 (a/d/a W/2 of the W/2) 160 acres	92	565	2-16-00
Dale Acres, Inc. Linda L. Lytle, P.O.A.	El-Kan Exploration	<u>T 33 S- R 18 W</u> Sec. 14 E ½, SW ¼ 480 acres	92	571	2-16-00
Dale Acres, Inc. Frank D. Dale, P.O.A.	El-Kan Exploration	<u>T 33 S- R 18 W</u> Sec. 13 N ½, N ½ of S ½ 480 acres	92	577	2-16-00
		<u>T 33 S- R 17 W</u> Sec. 18 Lots 1, 2, 3, 4 (a/d/a W/2 of the W/2) 160 acres	92	577	2-16-00
Dale Acres, Inc. Frank D. Dale, P.O.A.	El-Kan Exploration	<u>T 33 S- R 18 W</u> Sec. 14 E ½, SW ¼ 480 acres	92	583	2-16-00
Dale Acres, Inc. Wayne C Dale, P.O.A.	El-Kan Exploration	<u>T 33 S- R 18 W</u> Sec. 13 N ½, N ½ of S ½ 480 acres	92	589	2-16-00
		<u>T 33 S- R 17 W</u> Sec. 18 Lots 1,2, 3, 4 (a/d/a W/2 of the W/2) 160 acres	92	589	2-16-00
Dale Acres, Inc. Wayne C. Dale, P.O.A.	El-Kan Exploration	<u>T 33 S- R 18 W</u> Sec. 14 E ½, SW ¼ 480 acres	92	595	2-16-00

SUBSURFACE LEASE

PAID-UP

THIS OIL AND GAS LEASE, Made this 7 day of Jan. 2000
between Dale Acres, Inc. and El-Kan Exploration

Grantor called Lessor.

Grantee called Lessee.

1. Lessor grants and leases, exclusively unto Lessee, for the purpose of exploring by geological and other means, including prospecting, geophysical, drilling and marketing oil, liquid hydrocarbons, all gases, and their respective associated products, hereinafter called "products," and as well as coal, iron, manganese, zinc, lead, copper, silver, gold, uranium, thorium, and other minerals, all of which are situated in Comanche County, Kansas:

two 33 South sec 18 West
sec 13 North 1, North 2 of South 2
and containing 480 acres, more or less

TWP. 33 South sec 17 West
SEC 18 Lots 1, 2, 3, 4 (a/d/a W/2 of the W/2)
and containing 160 acres, more or less.

2. Subject to the other provisions hereof, this lease shall remain in force for a primary term of Five years from the date hereof and as long thereafter as said Products, or any of them, are produced from said land, provided, however, the primary term of this lease shall not commence until any lease of record or interest or probably determined to be lawful.

3. The obligation to be paid to Lessor by Lessee and (a) any rights of the oil, and other liquid hydrocarbons produced and saved from said land, shall be delivered to Lessee, free of cost, at the well or to the credit of Lessee in the pipeline in which the wells may be connected; and (b) on all other products covered by this lease, any rights of the same shall be paid to the Lessor.

4. If after the expiration of the primary term, the production of said Products, or any of them, should cease for any reason, this lease shall not terminate if Lessee commences prospecting or additional drilling operations within sixty (60) days after such cessation.

5. Lessee shall have the use of said Products and water from said land, except water from Lessee's wells and tanks, for operations hereunder, including repressuring, pressure maintenance and secondary recovery operations, and the royalty shall be computed after deducting any so used. Lessee covenants to Lessee all interest in and to all abandoned oil or gas pipelines and all oil and gas tanks and the casing located on said premises. When required by Lessee, Lessee shall bury all pipelines in place within three days. Lessee shall pay for damages caused by its operations.

6. Lessee is hereby granted an easement over the surface of the land hereunder, or any portion or portions thereof, as well as over any other lands owned or leased by Lessee, for the purpose of installing, operating, maintaining, repairing, and otherwise using any machinery, equipment, or other devices, including but not limited to, drilling rigs, pumps, tanks, pipelines, and other structures, and for the purpose of conducting geological and geophysical operations, and for the purpose of conducting operations for the production of oil, gas, or other products, and for the purpose of conducting operations for the production of coal, iron, manganese, zinc, lead, copper, silver, gold, uranium, thorium, and other minerals. Lessee shall also have the right to use any and all lands owned or leased by Lessee, or any other lands owned or leased by Lessee, for the purpose of conducting operations for the production of oil, gas, or other products, and for the purpose of conducting operations for the production of coal, iron, manganese, zinc, lead, copper, silver, gold, uranium, thorium, and other minerals. Lessee shall also have the right to use any and all lands owned or leased by Lessee, or any other lands owned or leased by Lessee, for the purpose of conducting operations for the production of oil, gas, or other products, and for the purpose of conducting operations for the production of coal, iron, manganese, zinc, lead, copper, silver, gold, uranium, thorium, and other minerals. Lessee shall also have the right to use any and all lands owned or leased by Lessee, or any other lands owned or leased by Lessee, for the purpose of conducting operations for the production of oil, gas, or other products, and for the purpose of conducting operations for the production of coal, iron, manganese, zinc, lead, copper, silver, gold, uranium, thorium, and other minerals.

7. No change in the ownership of the land or royalties shall be binding upon Lessee until the primary term of this lease has expired and Lessee has received the instrument or instruments, as certified copies thereof, reflecting such change.

8. Lessee hereby warrants and agrees to defend the title to said land. If Lessee ever has interest in said land then the entire fee simple estate, then royalties shall be paid the Lessor only in the proportion that his interests bears to the whole and undivided fee.

9. If the leased premises shall hereafter be owned in entirety or in separate parts, the provisions hereof shall be developed and operated as one tract, and all royalties accruing hereunder shall be treated as an entirety and shall be divided among and paid to such separate owners in the proportion that the acreage owned by each such separate owner bears to the entire leased acreage. There shall be no obligation on the part of the Lessee to effect wells or separate tracts into which the land covered by this lease may be hereafter divided by sale, devise, or otherwise.

10. Lessee shall have the right at any time to surrender this lease, in whole or in part, by filing a written instrument of intent in the county in which said land is situated, thereupon Lessee shall be relieved from all obligations, covenants or stipulations of this lease as to the acreage so surrendered.

11. Make effective date Feb. 21, 2000

12. Addendum attached

Wayne C. Dale (POA)
Wayne C. Dale
Power Of Attorney

and containing _____ acres, more or less.

COPIED

13163376211 P.03
TO
FROM 08-11-2000 03:27PM

TOTAL P.03

15-033-21128-0000

2. Subject to the other provisions hereof, this lease shall remain in force for a primary term of 3 years from the date hereof and as long thereafter as said Products, or any of them, are produced from said land; provided, however, the primary term of this lease shall not commence until any lease of record are released or judicially determined to be invalid.

3. The royalties to be paid to Lessor by Lessee are, (a) one eighth of the oil, and other liquid hydrocarbons produced and saved from said land, will be delivered to Lessor, free of cost, at the wells or to the credit of Lessor in the pipeline to which the wells may be connected; and (b) on all other products covered by this lease, one-eighth of the amount realized from the sale thereof.

4. If, after the expiration of the primary term, the production of said Products, or any of them, should cease for any reason, this lease shall not terminate if Lessee commences reworking or additional drilling operations within sixty (60) days after such cessation.

5. Lessee shall have free use of said Products and water from said land, except water from Lessor's wells and tanks, for operations hereunder, including repressuring, pressure maintenance and secondary recovery operations, and the royalty shall be computed after deducting any so used. Lessor conveys to Lessee all interest in and to all abandoned oil or gas equipment and all oil and gas wells and the casing located on said premises. When required by Lessor, Lessee will bury all pipelines below ordinary plow depth. Lessee shall pay for damages caused by its operations.

6. Lessee is hereby granted the right to pool or consolidate the leased premises, or any portion or portions thereof, as to all strata, or any stratum or strata, with other lands as to all strata, or any stratum or strata, but only as to the gas right hereunder (excluding casinghead gas produced from oil wells) to form one or more gas operating units of not more than 640 acres, plus a tolerance of ten percent (10%) to conform to Governmental Survey quarter sections. Lessee shall file written unit designations in the county in which the premises are located. Such units may be designated either before or after the completion of wells. Drilling operations and production on any part of the pooled acreage shall be treated as if such drilling operations were upon or such production was from the land described in this lease whether the well or wells be located on the land covered by this lease or not. The entire acreage pooled into a gas unit shall be treated for all purposes, except the payment of royalties on production from the pooled unit, as if it were included in this lease. In lieu of the royalties herein provided, lessor shall receive on production from the unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved.

7. No change in the ownership of the land or royalties shall be binding upon Lessee until the person acquiring such interest has furnished Lessee the instrument or instruments, or certified copies thereof, evidencing such change.

8. Lessee shall not be liable for delays or defaults in its performance of any agreement or covenant hereunder due to force majeure.

9. Lessor hereby warrants and agrees to defend the title to said land. If Lessor owns less interest in said land than the entire fee simple estate, then royalties shall be paid the Lessor only in the proportion that his interests bears to the whole and undivided fee.

10. If the leased premises shall hereafter be owned in common by two or more persons, the provisions herein shall apply to each of them.