

FOR KCC USE:

FORM C-1 7/91

EFFECTIVE DATE: 8-14-99

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 August 23 1999
Month Day Year

Spot NE SW NE Sec. 6 Twp 33S Rg 18W

150' N & 70' W of NE SW NE

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

1500 Feet from /North line of Section
3560 Feet from /West line of Section
IS SECTION _____ REGULAR IRREGULAR?

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

County: Comanche

Lease Name: Lousch C Well #: 1

Field Name (UN-NAMED)

Is this a Prorated/Spaced Field? Yes No

Target Formation(s): Statler/LKC/Pawnee/Mississippi/Viola/Arbuckle

Nearest Lease or unit boundary: 1620'

Ground Surface Elevation: 2079' 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 100

Depth to bottom of usable water 180

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 625

Projected Total Depth: 6200

Formation at Total Depth: Arbuckle

Water Source for Drilling Operations: _____ Well _____ Farm pond other

Will cores be Taken? _____ Yes No

If yes, proposed zone? _____ Yes _____ No

CONTRACTOR: License # 5929
Name: Duke Drilling

Well drilled For: Well Class: Type Equipment

Oil Enh Rec Infield Mud Rotary
 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 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 Herby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: 8/5/99 Signature of Operator or Agent: Charles Schmidt Title: President

FOR KCC USE:
 API: # 15- 033-210280000
 Conductor pipe required NONE feet
 Minimum surface pipe required 200 feet per Alt
 Approved by: JK 8-9-99
 This authorization expires: 2-9-2000
 (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.

6 33 18W
RECEIVED
KANSAS CORP. CO. 1
8-6-99
PM 10-6 P 2:48

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

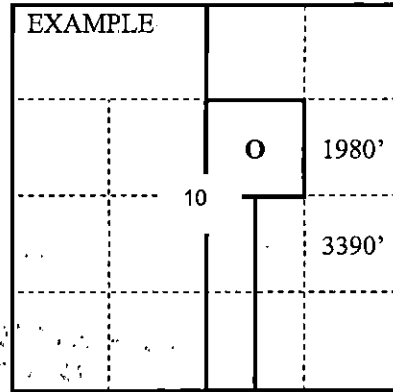
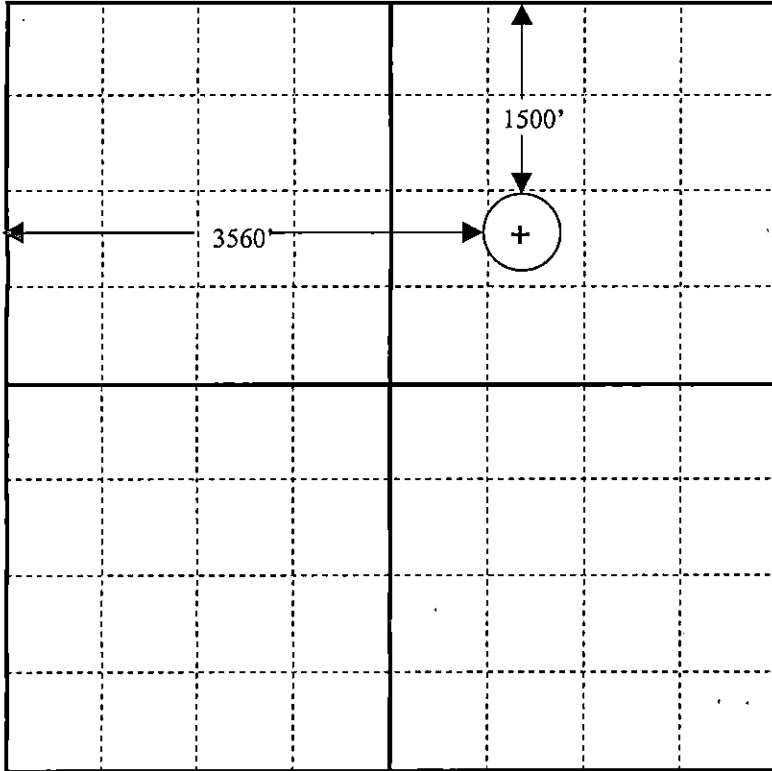
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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 "C" 1500 Feet from /north line of section
 WELL NUMBER 1 3560 Feet from /west line of section
 FIELD _____ SECTION 6 TWP 33S RG 18W

NUMBER OF ACRES ATTRIBUTABLE TO WELL 80 IS SECTION _____ REGULAR or X IRREGULAR
 QTR/QTR/QTR OF ACREAGE NE - SW - NE **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 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.