

FOR KCC USE:

FORM C-1 7/91

FORM MUST BE TYPED

FORM MUST BE SIGNED

ALL BLANKS MUST BE FILLED

EFFECTIVE DATE: 4-2-2000

State of Kansas
NOTICE OF INTENTION TO DRILL

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

DISTRICT # 1
SGAT: Yes No

Expected Spud Date April 15 2000
month day year
Spot CS/2SE SW 16 32 18W East
Sec Twp S. Rg West

OPERATOR: License # 3869
Name: Imperial Oil Properties, Inc. (& KFG)
Address: 212 N. Market #513 Pet. Corp.
City/State/Zip: Wichita, Ks. 67201
Contact Person: Jon T. Williams
Phone: 316-263-5596

330 feet from South North line of Section
1980 feet from East West line of Section
IS SECTION REGULAR IRREGULAR?

CONTRACTOR: License #: 5822
Name: VAL Energy Inc.

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

Lease Name: Bergner/Acres Well #: 1
Field Name: Nescatunga

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
... Other

Is this a Prorated/Spaced Field? ... yes no
Target Formation(s): Mississippian

Nearest lease or unit boundary: 330
Ground Surface Elevation: 2124 feet MSL

Water well within one-quarter mile: ... yes no
Public water supply well within one mile: ... yes no

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

Depth to bottom of fresh water: 180
Depth to bottom of usable water: 240

Surface Pipe by Alternate: 1 2
Length of Surface Pipe Planned to be set: 260' MIN.

Length of Conductor pipe required: 0
Projected Total Depth: 5150

Formation at Total Depth: Mississippian
Water Source for Drilling Operations:

... well farm pond other

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

DWR Permit #: ...
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 IS 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: 3-15-2000 Signature of Operator or Agent: [Signature] Title: Geologist/Agent...

FOR KCC USE:
API # 15- 032-210790000
Conductor pipe required NONE feet
Minimum surface pipe required 260 feet per Alt. 1
Approved by: [Signature] 3-28-2000
This authorization expires: 9-28-2000
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: Agent:

RECEIVED
KANSAS CORPORATION COMMISSION
03-24-2000
MAR 24 2000

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: Conservation Division, 200 Colorado Derby Building, 202 W. First St., Wichita, Kansas 67202-1286.

32
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

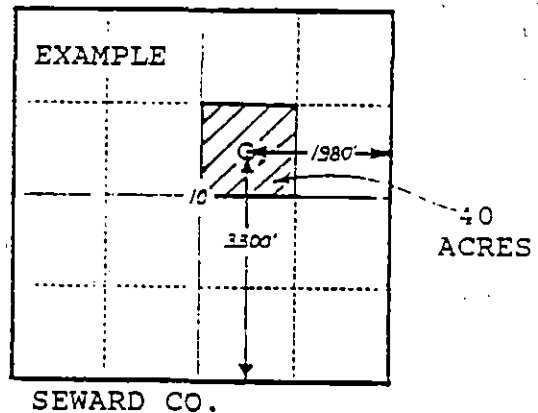
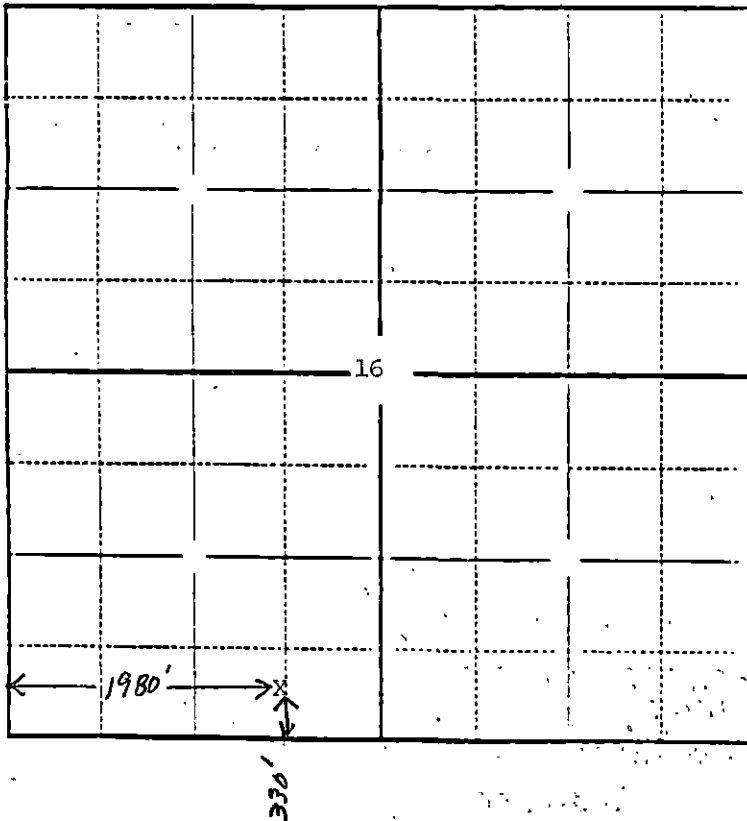
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please show all the wells 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 Imperial Oil Properties Inc. & LOCATION OF WELL: COUNTY Comanche
 LEASE Bergner/Acres KFG PET. 330 feet from south/north line of section
 WELL NUMBER 1 CORP. 1980 feet from east/west line of section
 FIELD _____ SECTION 16 TWP 32S RG 18W

NUMBER OF ACRES ATTRIBUTABLE TO WELL _____ IS SECTION x 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.)



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 lines; and
- 3) the distance to the nearest lease or unit boundary line.