

FOR KCC USE:

CORRECTION

15-033-21009-0000

FORM C-1 7/91

EFFECTIVE DATE: 4-26-99

DISTRICT #

SGA? X Yes No

Expected Spud Date: May 3 1999

State of Kansas

NOTICE OF INTENTION TO DRILL

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

ALL BLANKS MUST BE FILLED

Spot N/2 S/2 NW Sec. 6 Twp 33S Rg 18W (Approx.)

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

CONTRACTOR: License # 5123
Name: Pickrell Drilling

Table with columns: Well drilled For, Well Class, Type Equipment. Includes rows for Oil, Gas, OWWO, Seismic, Enh Rec, Storage, Disposal, # of Holes, Infield, Pool Ext., Wildcat, Other, Mud Rotary, Air Rotary, Cable.

I FOWWO: 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

1680 Feet from /North line of Section
*1270 Feet from / West line of Section
IS SECTION X REGULAR IRREGULAR?
County: Comanche
Lease Name: Lousch B Well #: 1
Field Name
Is this a Prorated/Spaced Field? Yes X No
Target Formation(s): Stotler/LKC/Pawnee/Mississippi/Viola
Nearest Lease or unit boundary: 1380'
Ground Surface Elevation: ** 2067 WAS: 2085 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
Surface Pipe by Alternate: X 1 2
Length of Surface Pipe Planned to be set: 625
Projected Total Depth: 5950
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?

AFFIDAVIT

* WAS: 1380' FWL
IS: 1270' FWL

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: 4-27-99 Signature of Operator or Agent: Charles Schmidt Title: President

FOR KCC USE:
API: # 15- 033-21009 0000
Conductor pipe required NONE feet
Minimum surface pipe required 200 feet per Alt. 1 X
Approved by: COR 4-28-99 JK / ORIL 4-21-99 JK
This authorization expires: 10-21-99
Spud date: Agent:

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KANSAS CORPORATION COMMISSION
APR 27 1999
4-27-99
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.

* Moved 110' west
**New elevation

6
33
1817

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

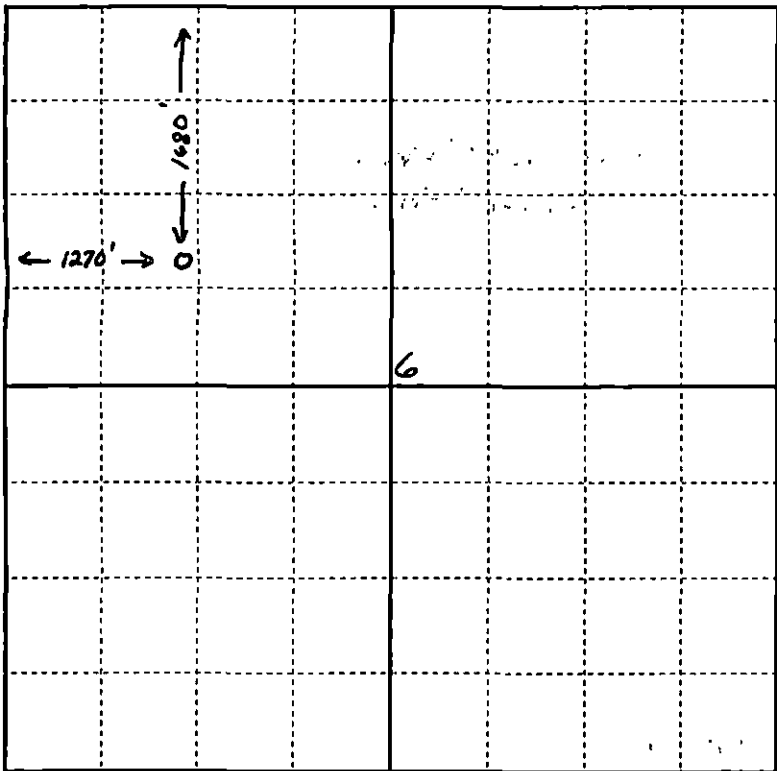
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from a common source of supply. Please 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 "B" 1680 Feet from /north line of section
 WELL NUMBER 1 *1270 Feet from /west line of section
 FIELD _____ SECTION 6 TWP 33S RG 18W

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 S

PLAT

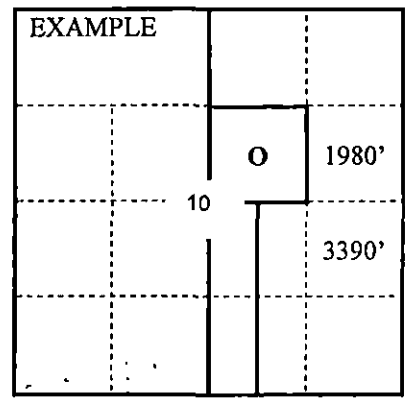
(Show location of the well and shade attributable acreage for prorated or spaced wells.)
 (Show footage to the nearest lease or unit boundary line.)



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CONSERVATION DIVISION
 WICHITA, KS



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.

* Moved location 110' west

FOR KCC USE:

FORM C-1 7/91

FORM MUST BE TYPED
FORM MUST BE SIGNED
ALL BLANKS MUST BE FILLED

EFFECTIVE DATE: _____
DISTRICT # 1
SGA? Yes No
Expected Spud Date May 3 1999
Month Day Year

State of Kansas
NOTICE OF INTENTION TO DRILL
Must be approved by the K.C.C. five (5) days prior to commencing well.
Spot NW SE NW Sec. 6 Twp 33S Rg 18W
APPROX. N/2 S/2 NW

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

1680 Feet from (North) line of Section
~~1380~~ 1270 Feet from (West) line of Section
IS SECTION X REGULAR _____ IRREGULAR? _____

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

County: Comanche
Lease Name: Lousch B Well #: 1
Field Name _____

Is this a Prorated/Spaced Field? _____ Yes X No _____

Target Formation(s): Stotler/LKC/Pawnee/Mississippi/Viola

Nearest Lease or unit boundary: 1380'

Ground Surface Elevation: -2085 2067 Feet MSL

Water well within one-quarter mile: _____ Yes X No X

Public water supply well within one mile: _____ Yes X No X

Depth to bottom of fresh water 100

Depth to bottom of usable water 180

Surface Pipe by Alternate: X 1 2

Length of Surface Pipe Planned to be set: 625

Projected Total Depth: 5950

Formation at Total Depth: Viola

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

CONTRACTOR: License # 5123
Name: Pickrell Drilling

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

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 _____

Will cores be Taken? _____ Yes _____ No X
If yes, proposed zone? _____

CORRECTION 4-28-99 JK

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:

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I Hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: 4/19/99 Signature of Operator or Agent: Charles Schmidt Title President

FOR KCC USE:
 API: # 15- 033-21009 0000
 Conductor pipe required NONE feet
 Minimum surface pipe required 200 feet per Alt. 1
 Approved by: JK 4-21-99
 This authorization expires: 10-21-99
 (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.

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STATE OF KANSAS COMMISSION

APR 20 1999
420-99
CONSERVATION DIVISION
Wichita, Kansas

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

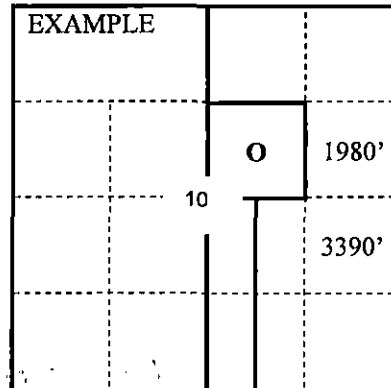
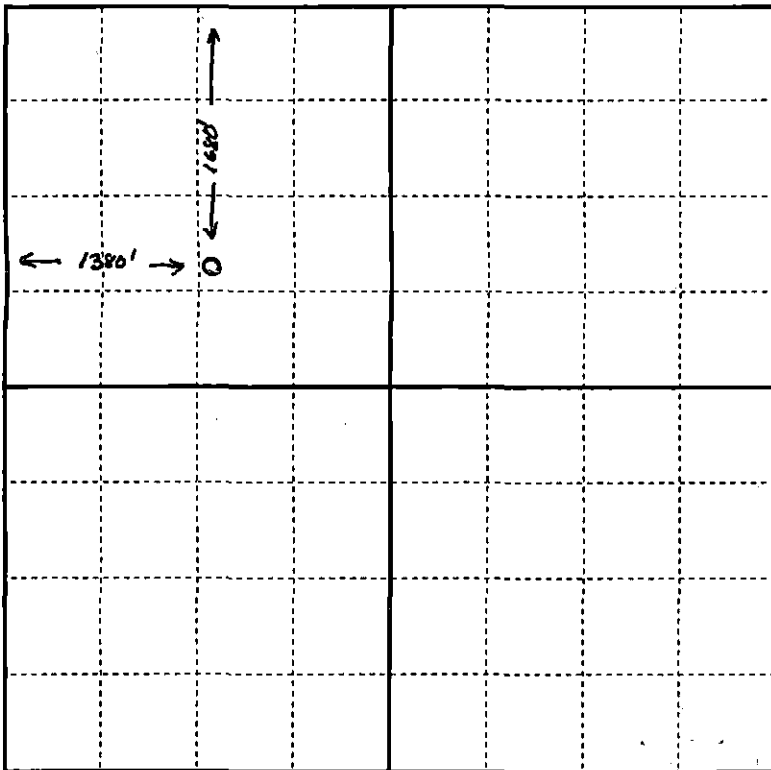
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 QTR/QTR/QTR OF ACREAGE _____ **IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST CORNER BOUNDARY.**
 Section corner used: NE NW SE S'

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.

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APR 2 1954

CONSERVATION DIVISION
 Wichita, Kansas