

For KCC Use:

Effective Date: 3-6-2000
District # _____
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

Form C-1

September 1999

Form must be typed
Form must be Signed
All blanks must be Filled

Expected Spud Date March 3 2000
Month day year

OPERATOR: License #: 30931
Name: Daystar Petroleum, Inc.
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

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

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: _____
Bottom Hole Location: _____
KCC DKT #: _____

Spot 50's of
NE - NE - SW Sec. 17 Twp. 34 S. R. 19
2260 feet from S N (circle one) Line of Section
2310 feet from W E (circle one) Line of Section
Is SECTION X Regular Irregular?
(Note: Locate well on the Section Plat on reverse side)

County: Comanche
Lease Name: Hackney B Well # 1-17
Field Name _____

Is this a Prorated / Spaced Field? Yes No

Target Information(s) Mississippi, Viola
Nearest Lease or unit boundary: 2310'

Ground Surface Elevation: 1794' 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: X 1 2

Length of Surface Pipe Planned to be set: 625'

Length of Conductor Pipe required: 60' (NONE REQUIRED)

Projected Total Depth: 6000'

Producing Formation Target: Mississippi, Viola

Water Source for Drilling Operations: _____

Well _____ Farm Pond X Other _____

DWR Permit #: _____

(Note: Apply for Permit with DWR)

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 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 and 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: 2/25/00 Signature of Operator or Agent: Charles Schmidt Title: President

For KCC Use ONLY:
API: # 15- 033-21070-0000
Conductor pipe required NONE feet
Minimum surface pipe required 200 feet per Alt. (1) X
Approved by: JK 3-1-2000
This authorization expires: 9-1-2000
(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 plugging surface water.
RECEIVED
STATE CORPORATION COMMISSION

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202 FEB 28 2000

2-28-00
CONSERVATION DIVISION
Wichita, Kansas

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.
 Lease: _____
 Well Number: _____
 Field: _____

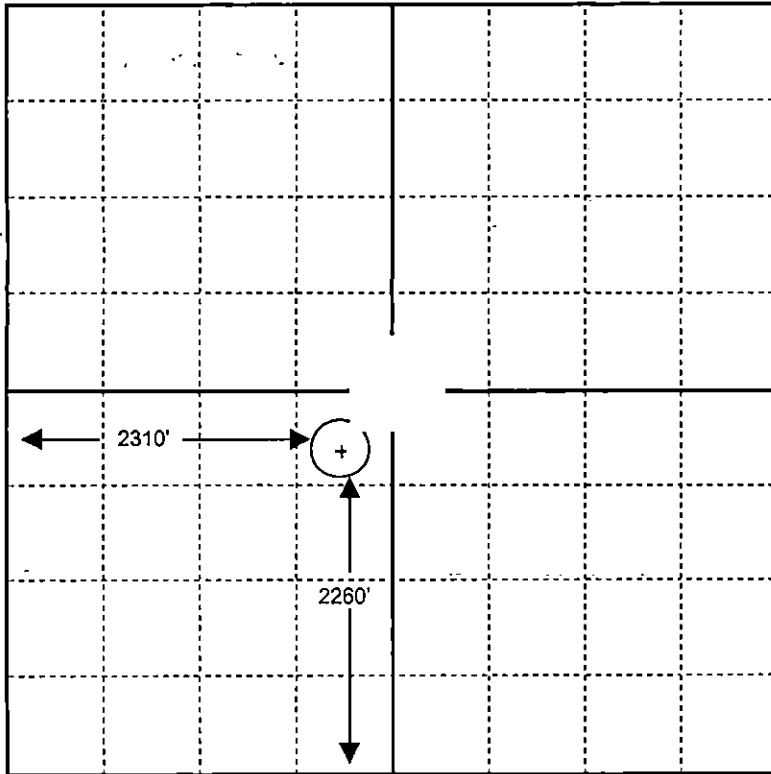
Location of Well: County _____
 _____ Feet from S / N Line of section
 _____ Feet from E / W Line of section
 Sec: _____ Twp: _____ S. R _____
 Is Section _____ REGULAR or East West
 IRREGULAR

Number of Acres Attributable to Well _____
 QTR/QTR/QTR OF ACREAGE _____

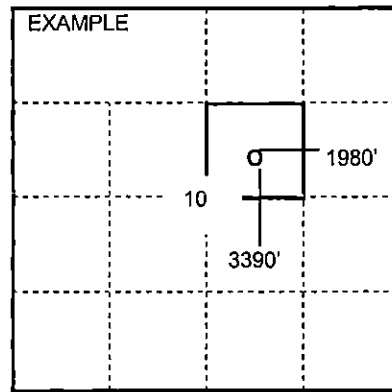
If Section is Irregular, locate well from nearest corner boundary
 Section corner used: NE NW SE SW

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.)*



Comanche County



SEWARD CO.

NOTE: In all cases located the spot of the proposed drilling location.

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.
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).