

EFFECTIVE DATE: 3-29-99

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

DISTRICT # 1
~~1547, X, Yes, No~~

State of Kansas
NOTICE OF INTENTION TO DRILL

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

Expected Spud Date 3 month 26 day 99 year

SW NE SW Sec 11 Twp 34 S, Rg 16. East West

OPERATOR: License # 32154
Name: Sagebrush Petroleum, LLC
Address: 1888 Sherman St, Suite 500
City/State/Zip: Denver, CO 80203
Contact Person: Bob Johnson, John Rose
Phone: (303) 866-0011

1650 feet from South / North line of Section
1650 feet from East West line of Section
IS SECTION REGULAR IRREGULAR

(NOTE: Locate well on the Section Plat on Reverse Side)
County: Comanche
Lease Name: Merrill Ranch Well #: 11-11
Field Name: _____
Is this a Propped/Spaced Field? yes no
Target Formation(s): Arbuckle
Nearest lease or unit boundary: 970'
Ground Surface Elevation: Est. 1750 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 300' of 13-3/8
Length of Surface Pipe Planned to be set: _____
Length of Conductor pipe required: _____
Projected Total Depth: 5550'
Formation at Total Depth: Arbuckle
Water Source for Drilling Operations:
 well farm pond other

CONTRACTOR: License # 5929
Name: Duke Drilling

Well Drilled For:	Well Class:	Type Equipment:
<input checked="" type="checkbox"/> Oil	... Erk Res	... Infield <input checked="" type="checkbox"/> Mud Rotary
<input checked="" type="checkbox"/> Gas	... Storage	... Post Exr. ... Air Rotary
... OGD	... Disposal	<input checked="" type="checkbox"/> Wildcat ... Cable
... Seismic; ... # of Holes	... Other	
... Other		

If OAD: 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: _____

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 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: 3-24-99 Signature of Operator or Agent: Robert D Johnson Title: Vice President

FOR KCC USE: 033-21005-0000
API # 15- _____
Conductor pipe required NONE feet
Minimum surface pipe required 200 feet per Alt.
Approved by: JK 3-24-99
This authorization expires: 9-24-99
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: _____ Agent: _____

RECEIVED
KANSAS CORPORATION COMMISSION
MAR 24 1999
3-24-99
CONSERVATION DIVISION
WICHITA, KS

34
16W

REMEMBER TO:

- File Drill Pit Application (form COP-1) with Intent to Drill;
- File Completion Form CO-1 within 120 days of spud date;
- File acreage attribution plat according to field prorator orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-6) after plugging is completed;
- Obtain written approval before disposing or injecting salt water.

Mail to: KCC - Conservation Division, 130 S. Market - Room 207B, Wichita, Kansas 67202.

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

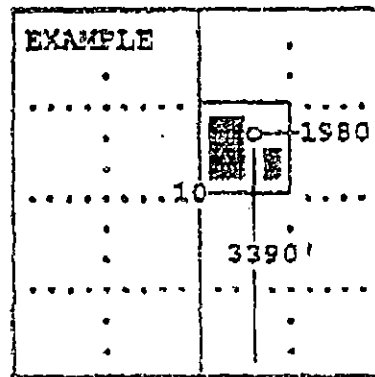
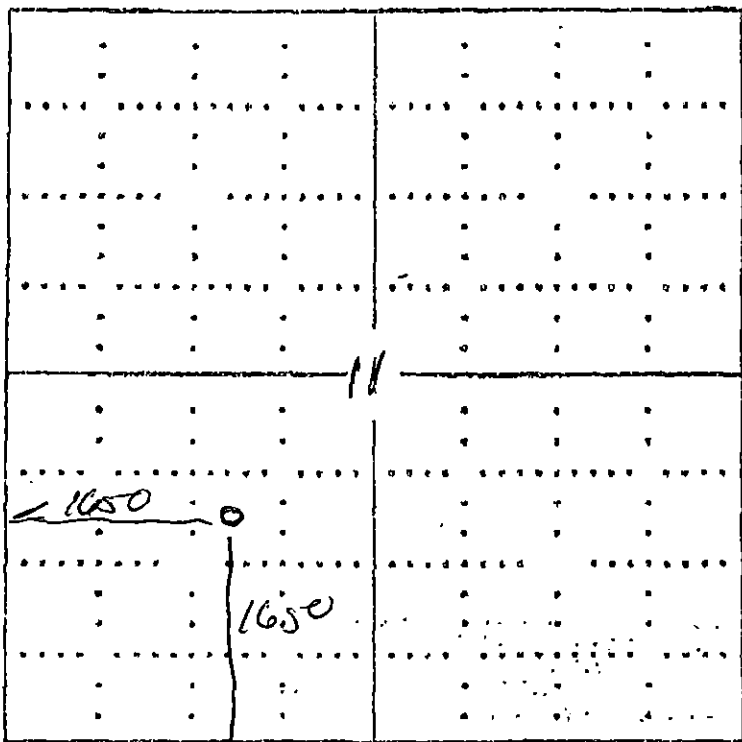
PLAT OF ACREAGE ATTRIBUTABLE TO A WELL IN A PROCRATED OR SPACED FIELD

If the intended well is in a procrated or spaced field, please fully complete this side of the form. If the intended well is in a procrated 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 _____ LOCATION OF WELL: COUNTY _____
 LEASE _____ feet from south/north line of section _____
 WELL NUMBER _____ feet from east/west line of section _____
 FIELD _____ SECTION _____ TWP _____ RG _____

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 _____ SW

(Show location of the well and shade attributable acreage for procrated 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, 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; and
- 3) the distance to the nearest lease or unit boundary line.