

EFFECTIVE DATE: 3-6-2000

State of Kansas

DISTRICT # 1

NOTICE OF INTENTION TO DRILL

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

Expected Spud Date 03 10 2000  
month day year

Spot 130' W of  
S/2 - SE/4 - SW/4 Sec 2 Twp 26 S, Rg 13 East  
West

OPERATOR: License # 32154  
Name: SAGEBRUSH OPERATING LLC  
Address: 1888 Sherman Street, Suite 500  
City/State/Zip: Denver, CO 80203  
Contact Person: Robert D. Johnson  
Phone: 303-866-0011

330 feet from South / North line of Section  
1850 feet from East / West line of Section  
IS SECTION REGULAR  IRREGULAR?

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

CONTRACTOR: License # 5929  
Name: Duke Drilling

Lease Name: Meireis Well #: 2-14  
Field Name: Rose Valley South

Well Drilled For: Well Class: Type Equipment:  
 Oil ... Enh Rec  Infield  Mud Rotary  
... Gas ... Storage ... Pool Ext. ... Air Rotary  
... OWMO ... Disposal ... Wildcat ... Cable  
... Seismic; ... # of Holes ... Other

Is this a Prorated/Spaced field? ... yes  no

Target Formation(s): Arbuckle

Nearest lease or unit boundary: 330'

Ground Surface Elevation: 1910 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: 160'

Depth to bottom of usable water: 180'

Surface Pipe by Alternate:  1  2

Length of Surface Pipe Planned to be set: 200'

Length of Conductor pipe required: 4450'

Projected Total Depth: Arbuckle

Formation at Total Depth: Arbuckle

Water Source for Drilling Operations:  
... well  farm pond ... other

If OWMO: 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: 2/25/00 Signature of Operator or Agent: [Signature] Title: C.E.M.

FOR KCC USE:  
 API # 15- 151-221760000  
 Conductor pipe required NONE feet  
 Minimum surface pipe required 200 feet per Alt.   
 Approved by: 3-1-2000  
 This authorization expires: 9-1-2000  
 (This authorization void if drilling not started within 6 months 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 CONSERVATION COMMISSION  
FEB 9 2000

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 Sagebrush Operating LLC  
 LEASE Meireis  
 WELL NUMBER 2-14  
 FIELD Rose Valley South

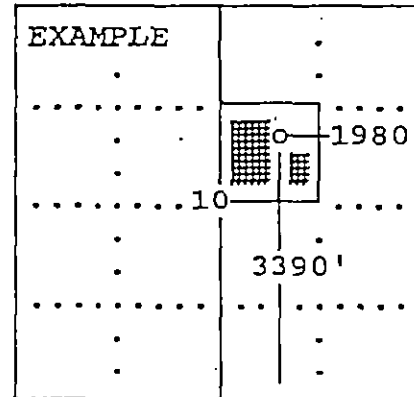
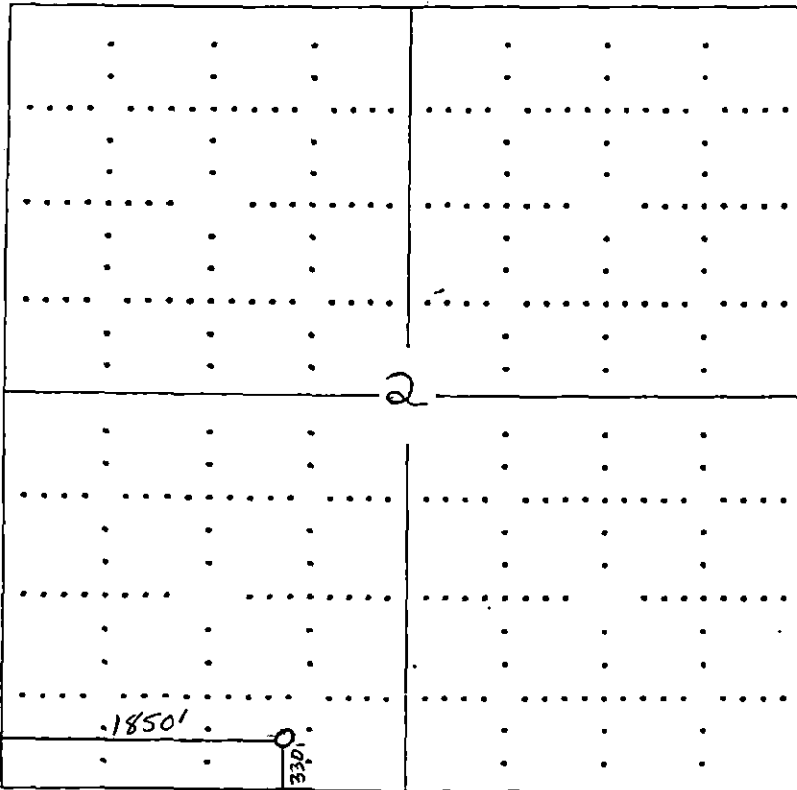
LOCATION OF WELL: COUNTY Pratt  
330 feet from south/~~north~~ line of section  
1850 feet from ~~east~~/west line of section  
 SECTION 2 TWP 26 S RG 13 W

NUMBER OF ACRES ATTRIBUTABLE TO WELL \_\_\_\_\_  
 QTR/QTR/QTR OF ACREAGE \_\_\_\_\_

IS SECTION \_\_\_\_\_ REGULAR or x IRREGULAR  
IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST CORNER BOUNDARY.

Section corner used: NE NW SE x 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, 1 section with 8 surrounding sections, 4 sections, etc.
- 2) the distance of the proposed drilling location from the section line south/north and east/west; and
- 3) the distance to the nearest lease or unit boundary line.

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