

15-155-21446-0000

For KCC Use: Effective Date: 9-12-2000 District # 2 SGA? Yes No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form C-1 September 1999 Form must be Typed Form must be Signed All blanks must be Filled

NOTICE OF INTENT TO DRILL

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

Expected Spud Date 8 ⁹ 12 2000 month day year

OPERATOR: License# 5058 Name: Corsair Energy LC Address: 209 E. William, Suite 220 City/State/Zip: Wichita, Kansas 67202 Contact Person: Jim Collins Phone: (316) 267-7779

CONTRACTOR: License# 5142 Name: Sterling Drilling, Inc.

Spot 40'S E 10' W of SE NE NW Sec. 16 Twp. 23 S. R. 8 East West E/2 700 feet from S (N) (circle one) Line of Section 2300 feet from E (W) (circle one) Line of Section Is SECTION X Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: Reno Lease Name: Welker Well #: 1-16 Field Name: WC

Is this a Prorated / Spaced Field? Yes No

Target Information(s): Mississippi Nearest Lease or unit boundary: 340' Ground Surface Elevation: 1656' feet MSL

Water well within one-quarter mile: Unknown Yes No

Public water supply well within one mile: Unknown Yes No

Depth to bottom of fresh water: 110'

Depth to bottom of usable water: 160'

Surface Pipe by Alternate: X 1 2

Length of Surface Pipe Planned to be set: 180'

Length of Conductor Pipe required: _____

Projected Total Depth: 3800'

Producing Formation Target: Mississippi

Water Source for Drilling Operations: Well X Farm Pond _____ Other _____

DWR Permit #: Applied for

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No

If Yes, proposed zone: _____

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

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 #: _____

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: 7-17-2000 Signature of Operator or Agent: James G. Collins Title: Managing Member

For KCC Use ONLY

API # 15 - 155-21446-0000 Conductor pipe required NONE feet Minimum surface pipe required 180 feet per Alt. (1) X Approved by: JK 9-7-2000 This authorization expires: 3-7-2001 (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) surface water.

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

JUL 17 2000 7-17-00 E CONSERVATION DIVISION WICHITA, KS

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 and 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: Corsair Energy, LC
Lease: Welker
Well Number: 1-16
Field: WC

Location of Well: County: Reno
700 feet from S (N) (circle one) Line of Section
2300 feet from E (W) (circle one) Line of Section
Sec. 16 Twp. 23 S. R. 8 East West

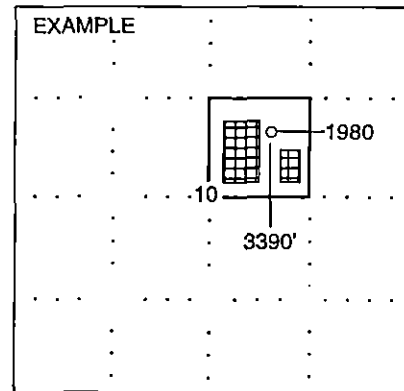
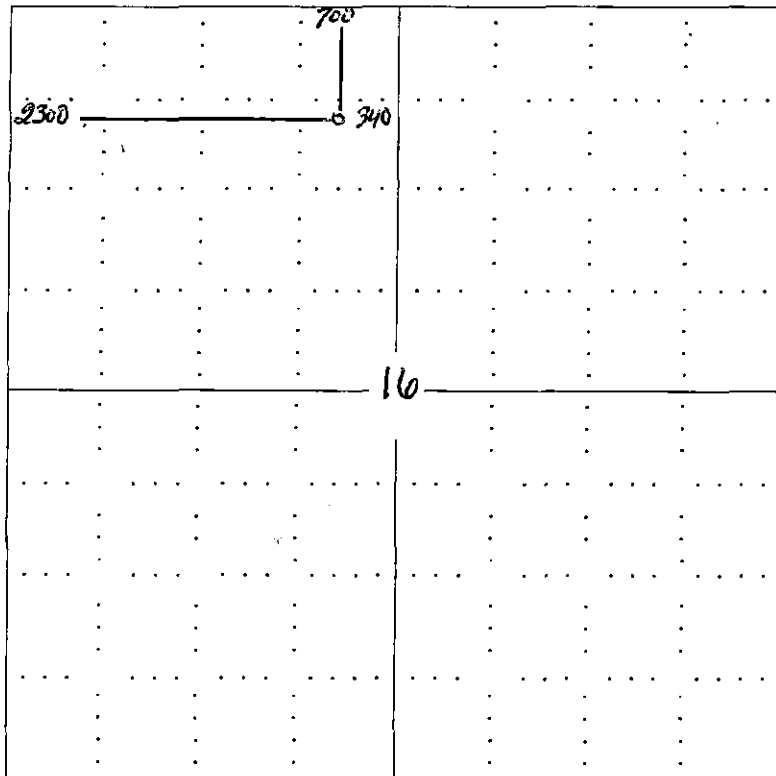
Number of Acres attributable to well: _____
QTR / QTR / QTR of acreage: _____

Is Section X Regular or _____ Irregular

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.)*



NOTE: In all cases locate 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, 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.
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).