

EFFECTIVE DATE: 6-20-99

FORM MUST BE TYPED

DISTRICT # 1

State of Kansas  
NOTICE OF INTENTION TO DRILL

FORM MUST BE SIGNED

SGA?  Yes  No

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

ALL BLANKS MUST BE FILLED

Expected Spud Date 6 15 1999  
month day year

Spot 110'S & 210'W 24  
SE NE NW Sec 11 Twp 26S Rg 13 East  
West

OPERATOR: License # 32154  
Name: Sagebrush Operating LLC  
Address: 1888 Sherman Street Ste 500  
City/State/Zip: Denver, Colorado 80203  
Contact Person: Bob Johnson  
Phone: 303/866-0011

1100 feet from XXXXX North line of Section  
2100 feet from XXXXX West line of Section  
IS SECTION XX REGULAR IRREGULAR?

CONTRACTOR: License #: 5929  
Name: Duke Drilling

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

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

County: Pratt  
Lease Name: Shupe Well #: 11-3  
Field Name: Rose Valley South

If OWWO: old well information as follows:  
Operator: \_\_\_\_\_  
Well Name: \_\_\_\_\_  
Comp. Date: \_\_\_\_\_ Old Total Depth \_\_\_\_\_

Is this a Prorated/Spaced Field? ... yes XX no  
Target Formation(s): Arbuckle

Directional, Deviated or Horizontal wellbore? ... yes XX no  
If yes, true vertical depth: \_\_\_\_\_  
Bottom Hole Location: \_\_\_\_\_

Nearest lease or unit boundary: 540'  
Ground Surface Elevation: 1910 est. feet MSL  
Water well within one-quarter mile: ... yes XX no

Public water supply well within one mile: ... yes XX no  
Depth to bottom of fresh water: 150'  
Depth to bottom of usable water: 180'

Surface Pipe by Alternate: 200' 1 ... 2  
Length of Surface Pipe Planned to be set: 220'+  
Length of Conductor pipe required: \_\_\_\_\_

Projected Total Depth: 4400'  
Formation at Total Depth: Arbuckle

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

Will Cores Be Taken? ... yes XX 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: 6/9/1999 Signature of Operator or Agent: Robert A. Johnson Title: Exec. Vice-President

FOR KCC USE:  
API # 15- 151-221740000  
Conductor pipe required NONE feet  
Minimum surface pipe required 200 feet per Alt. (1)X  
Approved by: JK 6-15-99  
This authorization expires: 12-15-99  
(This authorization void if drilling not started within 6 months of effective date.)  
Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

Rec'd  
6-14-99

11  
26  
13W  
RECEIVED  
KANSAS CORP COM'G  
1999 JUN 14 P 12:36

- 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.

**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 \_\_\_\_\_  
 LEASE \_\_\_\_\_  
 WELL NUMBER \_\_\_\_\_  
 FIELD \_\_\_\_\_

LOCATION OF WELL: COUNTY \_\_\_\_\_  
 \_\_\_\_\_ feet from south/north line of section  
 \_\_\_\_\_ feet from east/west line of section  
 SECTION \_\_\_\_\_ TWP \_\_\_\_\_ RG \_\_\_\_\_

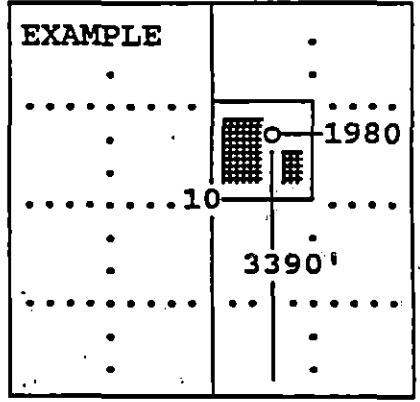
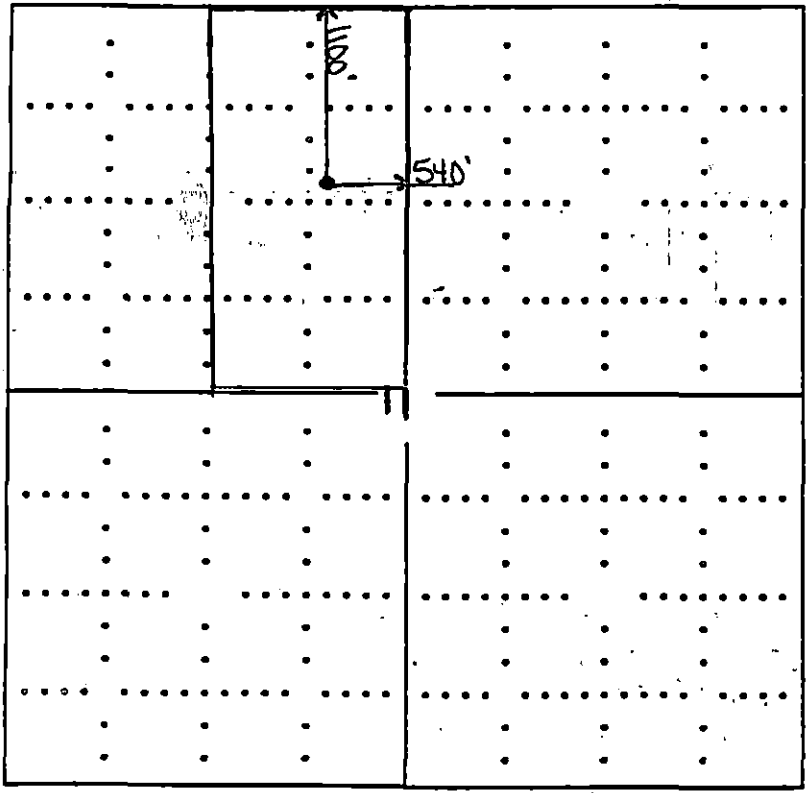
NUMBER OF ACRES ATTRIBUTABLE TO WELL \_\_\_\_\_  
 QTR/QTR/QTR OF ACREAGE \_\_\_\_\_

IS SECTION \_\_\_\_\_ 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.)



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.