

EFFECTIVE DATE: 4-10-96

State of Kansas

FORM MUST BE TYPED

DISTRICT # 1

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 April 12, 1996
month day year

Spot 310'S & 190'E of
NW. - NE. - SE. Sec 20 Twp 28S S, Rg 17W East West

OPERATOR: License # 6926
Name: ADVANTAGE RESOURCES, INC.
Address: 1775 Sherman Street, Suite 1375
City/State/Zip: Denver, Colorado 80203-4316
Contact Person: Lou Bortz
Phone: 303/831-1912

2000 feet from South ~~XXXX~~ North line of Section
 800 feet from East ~~XXXX~~ West line of Section
IS SECTION REGULAR IRREGULAR

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

CONTRACTOR: License # 5929
Name: DUKE DRILLING CO., INC.

County: Kiowa
Lease Name: HAL ROSS #1 Well #: 1

Field Name: _____
Is this a Prorated/Spaced Field? yes no

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

Target Formation(s): _____
Nearest lease or unit boundary: 800'

Ground Surface Elevation: 2200.5 FT. 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: 180' 200'

Depth to bottom of usable water: 180' 220'
Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 400'
Length of Conductor pipe required: N/A

Projected Total Depth: 4900'
Formation at Total Depth: _____

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

If OJWO: 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

RECEIVED
KANSAS CORPORATION COMMISSION
will comply with K.S.A. 55-101

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:

APR 04 1996

- 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: April 4, 1996 Signature of Operator or Agent: Sally R. Byers Title: Agent

FOR KCC USE:
API # 15- 097-214050000
Conductor pipe required NONE feet
Minimum surface pipe required 240 feet per Alt.
Approved by: JK 4-5-96
This authorization expires: 10-5-96
(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.

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

20
28
17W

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 _____

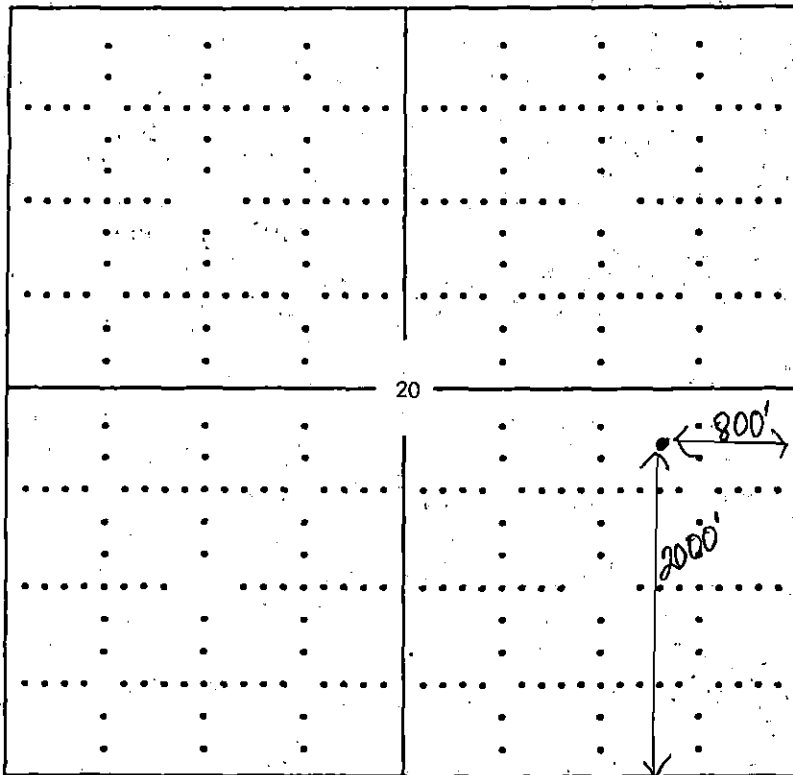
NUMBER OF ACRES ATTRIBUTABLE TO WELL _____
 QTR/QTR/QTR OF ACREAGE _____

IS SECTION _____ REGULAR or _____ IRREGULAR
IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST CORNER BOUNDARY.

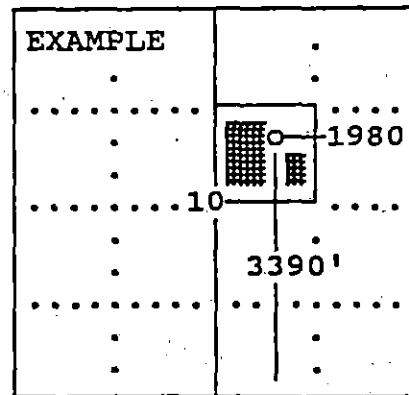
Section corner used: _____ NE _____ NW _____ SE _____ SW

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.)



KIOWA COUNTY



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.