

FOR KCC USE:

FORM C-1 7/91

FORM MUST BE TYPED

FORM MUST BE SIGNED

ALL BLANKS MUST BE FILLED

EFFECTIVE DATE: 12-15-92

State of Kansas

DISTRICT #

NOTICE OF INTENTION TO DRILL

SEAT... Yes... No

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

Expected Spud Date 12/14/92 month day year

Spot 310'S & 10' E of SW NW NE Sec 24 Twp 28S S. Rg 18 East West

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

2980 feet from South / North line of Section 2300 feet from East / West line of Section IS SECTION X REGULAR IRREGULAR

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

(NOTE: Locate well on the Section Plat on Reverse Side) County: Kiowa Lease Name: Hardy Well #: #1 Field Name: Hardy Is this a Prorated/Spaced Field? yes X no Target Formation(s): Mississippi Nearest lease or unit boundary: 2300 Ground Surface Elevation: 2209 feet MSL Water well within one-quarter mile: yes X no Public water supply well within one mile: yes X no Depth to bottom of fresh water: 155 210 Depth to bottom of usable water: 380 Surface Pipe by Alternate: X.. 1 Length of Surface Pipe Planned to be set: 480 (400) Length of Conductor pipe required: None Formation at Total Depth: 4900' Mississippi

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

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

Directional, Deviated or Horizontal wellbore? yes X no If yes, true vertical depth: Bottom Hole Location:

Water Source for Drilling Operations: well farm pond X other DWR Permit #: APPLIED FOR Will Cores Be Taken? yes X no If yes, proposed zone:

AFFIDAVIT 400' after staff review CBB

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 IS 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: 12/9/92 Signature of Operator or Agent: Title: Agent

FOR KCC USE: API # 15- 097-21,348 10000 Conductor pipe required None feet Minimum surface pipe required 400 feet per Alt. (X) Approved by: CB 12-10-92 This authorization expires: 6-10-93 (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: Conservation Division, 200 Colorado Derby Building, 202 W. First St., Wichita, Kansas 67202-1286.

RECEIVED STATE CORPORATION COMMISSION

12-10-92 DEC 10 1992 CONSERVATION DIVISION Wichita, Kansas

Handwritten initials and numbers: RB, 22, 18

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

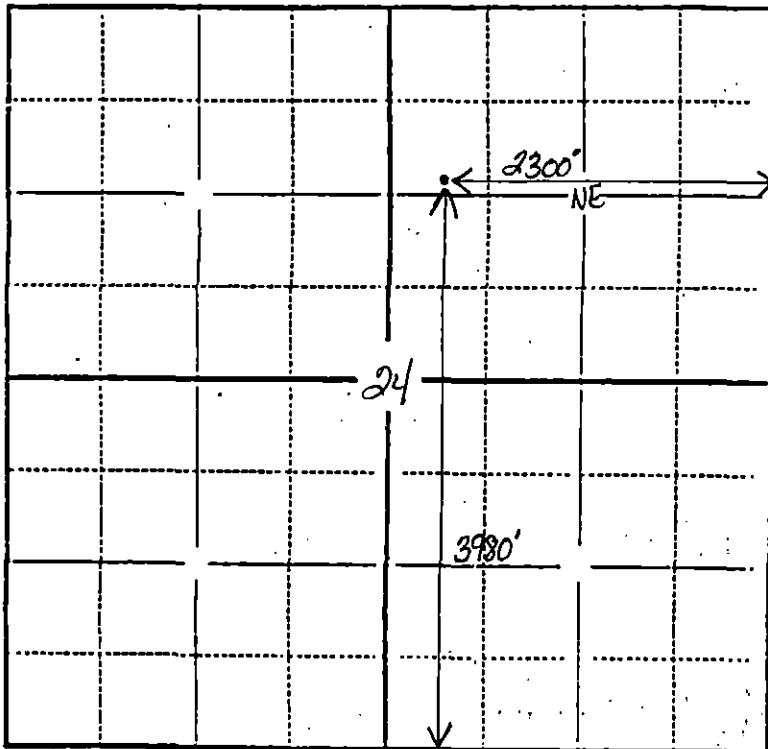
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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 _____ 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 _____

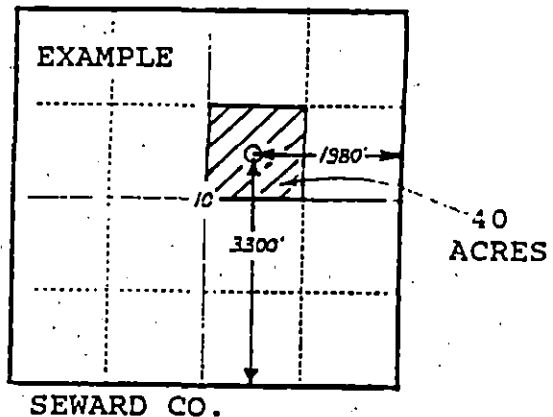
NUMBER OF ACRES ATTRIBUTABLE TO WELL _____ IS SECTION _____ REGULAR or _____ IRREGULAR
 QTR/QTR/QTR OF ACREAGE _____ IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST CORNER BOUNDARY.
 Section corner used: _____ NE _____ NW _____ SE _____ SW

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



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 lines; and
- 3) the distance to the nearest lease or unit boundary line.