

For KCC Use: Effective Date: 9.30.02 District # 1 SGA? Yes No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

RECEIVED SEP 25 2002 09-25-2002 KCC WICHITA

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 work

Expected Spud Date: October 11, 2002

OPERATOR: License# 7383 Name: Grady Bolding Corporation Address: P. O. Box 486 City/State/Zip: Ellinwood, KS. 67526 Contact Person: Grady Bolding Phone: 620-564-2240

CONTRACTOR: License# 6039 Name: L.D. Drilling Inc.

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

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 #:

Spot SW SW SE SE Sec. 25 Twp. 18s S. R. 25 East West 330 feet from (S) Line of Section 2310 feet from (E) Line of Section Is SECTION Regular Irregular?

(Note: Locate well on the Section Plat on reverse side) County: Ness Lease Name: Sutton Well #: 1 Field Name: Laird

Is this a Prorated / Spaced Field? Yes No Target Information(s): Mississippi Nearest Lease or unit boundary: 330' Ground Surface Elevation: 2372' 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: 500' / 180' BASE UNKNOWN Depth to bottom of usable water: 1100

Surface Pipe by Alternate: 1 2 Length of Surface Pipe Planned to be set: 225' Length of Conductor Pipe required: none Projected Total Depth: 4450'

Producing Formation Target: Mississippi Water Source for Drilling Operations: Well Farm Pond Other DWR Permit #:

(Note: Apply for Permit with DWR) 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. I have 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: 9-24-02 Signature of Operator or Agent: Grady Bolding Title: President

For KCC Use ONLY API # 15 - 135-24196-0000 Conductor pipe required NONE feet Minimum surface pipe required 200 feet per Alt. (2) Approved by: RJP 9.25.02 This authorization expires: 3.25.03 (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.

25 18 25w

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: Grady Bolding Corporation
 Lease: Sutton
 Well Number: 1
 Field: Laird
 Number of Acres attributable to well: 40
 QTR / QTR / QTR of acreage: SW - SW - SE

Location of Well: County: Ness
 _____ feet from S / N (circle one) Line of Section
330
 _____ feet from E / W (circle one) Line of Section
2310
 Sec. 25 Twp. 18s S. R. 25 East West

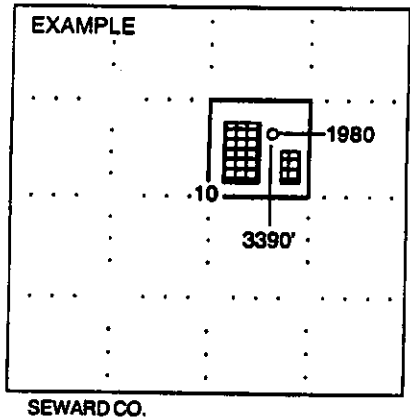
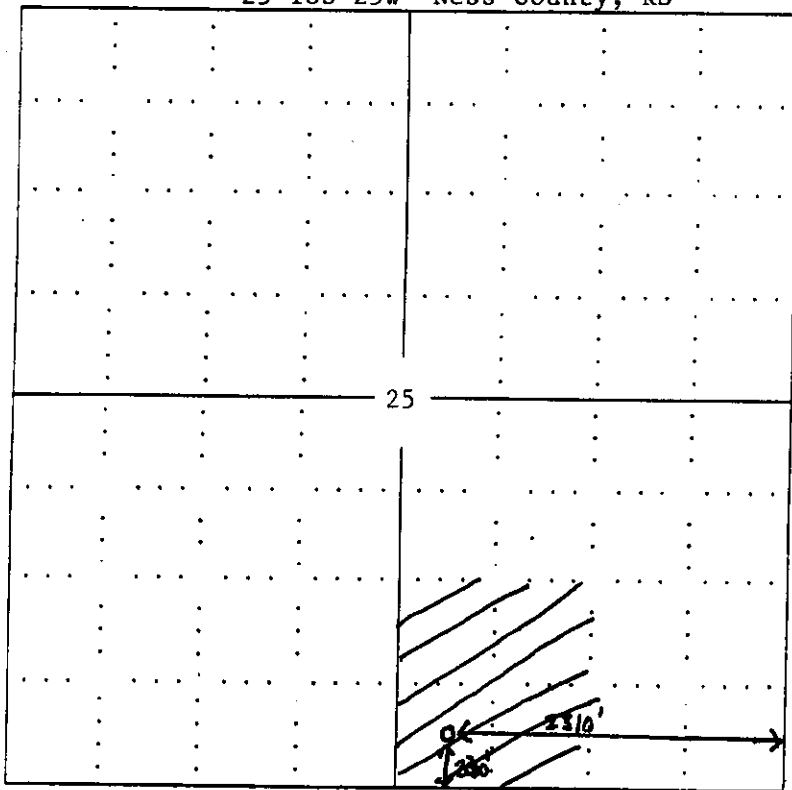
Is Section x Regular or _____ Irregular

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.)*

25-18s-25w Ness County, KS



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).