

FOR KCC USE:

FORM C-1 7/91

FORM MUST BE TYPED

FORM MUST BE SIGNED

ALL BLANKS MUST BE FILLED

EFFECTIVE DATE: 1-9-96

State of Kansas

DISTRICT # 1

NOTICE OF INTENTION TO DRILL

SGA? Yes No

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

Expected Spud Date January 31, 1996  
month day year

Spot APPROX. NE SE NE Sec 4 Twp 20 S, Rg 24 East West

OPERATOR: License # 7076  
Name: Black Diamond Oil, Inc.  
Address: P.O. Box 641  
City/State/Zip: Hays, Kansas 67601  
Contact Person: Kenneth Vehige  
Phone: (913) 625-5891

..... 1350 feet from South North line of Section  
..... 330 feet from East West line of Section  
IS SECTION REGULAR X IRREGULAR?

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

CONTRACTOR: License #: 31548  
Name: Discovery Drilling, Inc.

Lease Name: Lundy "A" Well #: 1  
Field Name: Hair

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

Is this a Prorated/Spaced Field? .... yes X no

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

Target Formation(s): Mississippian  
Nearest lease or unit boundary: 330'

Ground Surface Elevation: 2230 Est. 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: 180'

Depth to bottom of usable water: 440' 760'  
Surface Pipe by Alternate: .... 1 X 2

Length of Surface Pipe Planned to be set: 200'

Length of Conductor pipe required: None  
Projected Total Depth: 4450'

Formation at Total Depth: Mississippian  
Water Source for Drilling Operations:  
... well X farm pond .... other

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

Will Cores Be Taken?: .... yes X 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: 1/3/1996 Signature of Operator or Agent: Thomas H. H. Title: Agent

FOR KCC USE:  
 API # 15- 135-239210000  
 Conductor pipe required NONE feet  
 Minimum surface pipe required 200' feet per Alt. X (2)  
 Approved by: JR 1-4-96  
 This authorization expires: 7-4-96  
 (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.

RECEIVED  
STATE CORPORATION COMMISSION

JAN 04 1996

7  
20  
24W

**IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW**

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

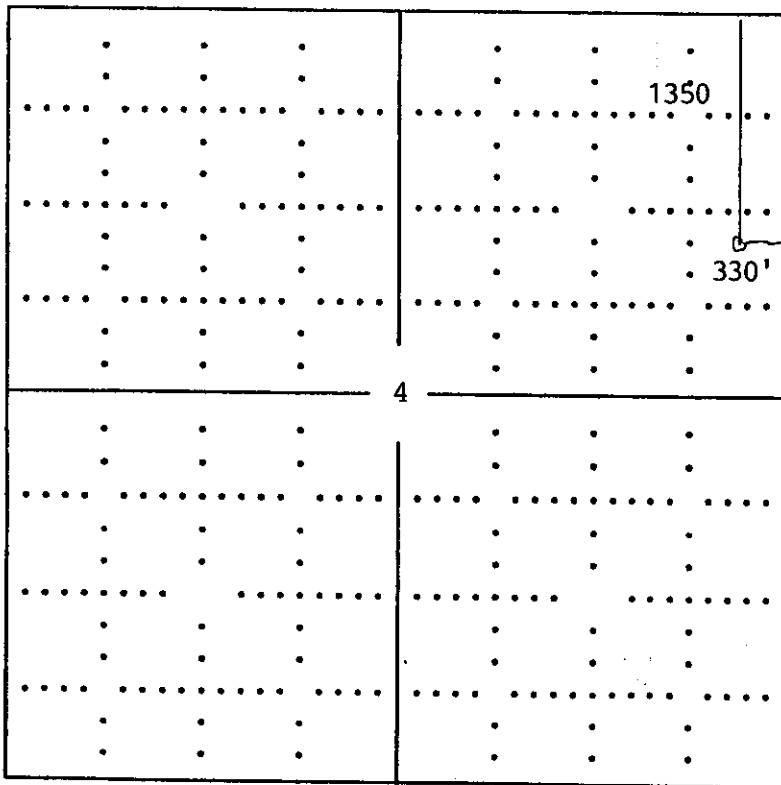
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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 Black Diamond Oil, Inc LOCATION OF WELL: COUNTY Ness  
 LEASE Lundy "A" 1350 feet from ~~south~~/north line of section  
 WELL NUMBER 1 330 feet from east/~~west~~ line of section  
 FIELD Hair SECTION 4 TWP 20s RG 24w

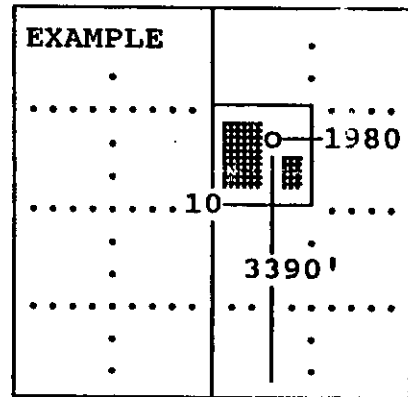
NUMBER OF ACRES ATTRIBUTABLE TO WELL 160 IS SECTION \_\_\_\_\_ REGULAR or X IRREGULAR  
 QTR/QTR/QTR OF ACREAGE NE - SE - NE **IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST CORNER BOUNDARY.**

Section corner used: X 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.)



*Short 1/4*



SEWARD CO.

Ness 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.