KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL
Must be approved by KCC five (5) days prior to commencing well

For KCC Use Only: 8-23-04
Effective Date: 4
District #: 2
SGA? X Yes No

Expected Spud Date: August 23, 2004

OPERATOR: License# 7076
Name: Black Diamond Oil, Inc.
Address: P.O. Box 641
City/State/Zip: Hays, KS 67601
Contact Person: Kenneth Vehige
Phone: (785) 625-5891

CONTRACTOR: License# 33237
Name: Andy Anderson dba Anderson Drilling

Spot: S25E NE NW Sec. 21 Twp. 9 S R. 21

Is SECTION Regular Irregular?

Count: Graham
Lease Name: Anderson
Well #: B-6
Field Name: Morrell

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Arbuckle

Nearest Lease or unit boundary: 330'
Ground Surface Elevation: 2285 est.
Water well within one-quarter mile: Yes No
Public water supply well within one mile: Yes No
Depth to bottom of fresh water: 1500
Surface Pipe by Alternate: 1 2
Length of Surface Pipe Planned to be set: 200
Length of Conductor Pipe required: none
Projected Total Depth: 3600'
Formation at Total Depth: Arbuckle
Water Source for Drilling Operations: Well Farm Pond Other

DWR Permit #: 

Will Cores be taken? Yes No
If Yes, propose zone: 

RECEIVED

CONSERVATION DIVISION WICHITA KS

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 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 unsoluted 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.

Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,891-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. 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: August 18, 2004
Signature of Operator or Agent: Donna Manda
Title: Agent

API # 15 - 06S-22998-00-00
Conductor pipe required None feet
Minimum surface pipe required 200 feet per Alt.
Approved by: RPS 8-18-04

This authorization expires: 21-9-21

For KCC Use Only
Spud date: Agent:

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

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 provision 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.
- If this permit has expired (See authorized expiration date) please check the box below and return to the address below.

Well Not Drilled - Permit Expired
Signature of Operator or Agent:
Date:

(This authorization void if drilling not started within 6 months of effective date.)
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: Black Diamond Oil, Inc.
Lease: Anderson
Well Number: B-8
Field: Morrell
Number of Acres attributable to well: 
QTR / QTR / QTR of acreage: S2SE - NE - NW

Location of Well: County: Graham
1140 feet from N / S Line of Section
2310 feet from E / W Line of Section
Sec. 21 Twp. 9 S. R. 21 East Yes West
Is Section: Yes Regular or No Irregular

If Section is irregular, locate well from nearest corner boundary.
Section corner used: Yes NE No NW No SE No 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.)

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).