State of Kansas
NOTICE OF INTENTION TO DRILL

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

Expected Spud Date: December 7, 1998

OPERATOR: License #...30425...[]
Name: DNR Oil & Gas, Inc.
Address: 655 Broadway, Suite 523
City/State/Zip: Denver, CO 80203
Contact Person: Charles B. Davis
Phone: (303) 892-9261

CONTRACTOR: License #...30806...[]
Name: Murchin Drilling Company

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

If OWWO: 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:

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 correct to the best of my knowledge and belief.

Date: November 30, 1998
Signature of Operator or Agent: Charles B. Davis []
Title: President

RECEIVED
KANSAS CORPORATION COMMISSION
DEC 0 2 1998
CONSERVATION DIVISION
WICHITA, KS

FOR ECC USE: 137-204-10000
API # 15-
Conductor pipe required: None
Minimum surface pipe required: 250 feet per Alt. X 2
Approved by: JK 12-3-98
This authorization expires: 6-3-99
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: [ ]

REMEMBER TO:
- File Drill Pit Application (form CPD-1) with Intent to Drill;
- File Completion Form MOW-1 within 120 days of spud date;
- File aquifer attribution plan 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 67202-1256.
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

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.)

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.