For KCC Use:

API # 15:

Approved by:

Minimum surface pipe required: 148 feet per Acre.  90

This authorization expires: 12/05/05

Spud date: 6/11/05

Applicant: BLACK DIAMOND OIL, INC

Address: P.O. BOX 541

City/State/Zip: HAYS, KS 67601

Contact Person: KENNETH VEHIE

Phone: 785-625-5691

Contractor: License #: 33220

Well Drilled For:

Well Class: Oil

 arp Mort Rotary

Gas Storage

Pool Ext.

Air Rotary

GWO

Disposal

Welded

Other

If GWO: Old well information as follows:

Operator: BLACK DIAMOND OIL, INC.

Well Name: ANDRESON II

Original Completion Date: 1949

Original Total Depth: 3707

Directional, Deviated or Horizontal wellbore?

Yes

No

If Yes, true vertical depth:

Bottom Hole Location:

KCC DKT:

Spot Data:

CW

Steel 16

East

330

West

Line of Section

Is SECTION Regular? Irregular?

(Note: Locate well on the Section Map on reverse side)

County: GRAYM:

Lease Name: ANDRESON

Field Name: MOREL

Is this a Pooled or Spaced Field?

Yes

No

Target Formation(s): ARBUCKLE

Nearest Lease or unit boundary: 330

Ground Surface Elevation: 2713

Net MSL

Water well within one quarter mile:

Yes

No

Public water supply well within one mile:

Yes

No

Depth to bottom of fresh water:

1050

1050

Depth to bottom of usable water:

500

Surface Pipe By Alternate:

1

No

Length of Surface Pipe Planned to be:

148 SET

Length of Conductor Pipe Required:

NONE

Projected Total Depth:

3707

Water Source for Drilling Operations:

Well

Farm Pond

Other

DWR Permit #:

(Apply for Permit with DWR)

Will Core 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 5.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 casing surface pipe shall be set through unconsolidated materials plus a minimum of 20 feet into the underlying formation.

4. If the well is a dry hole, an agreement between the operator and the district office on plug length and government’s 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 "E" - Eastern Kansas surface casing under #133,681-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 36 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: 5-31-2005

Signature of Operator or Agent:

Kenneth

Title or Owner:

KCC Corporation Commission, 130 S. Market - Room 207B, Wichita, Kansas 67202

Mail for KCC - Conservation Division, 130 S. Market - Room 207B, Wichita, Kansas 67202

For KCC Use Only:

API # 15: 038 01373 00-01

Conductor pipe Andrewed:

NONE

Approved by:

RGP 8/05

Minimum surface pipe required: 148 feet per Acre. 90

This authorization expires: 12/05/05

Spud date: 6/11/05

File DRR PT Application (Form CD-1) with intent to Drill.

File Completion Form ACC-1 within 120 days of spud date.

File sewage treatment facilities report to district office prior to opening.

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.

Void Not Drilled - Permit Expired

Signature of Operator or Agent:

Remember:

- File DRR PT Application (Form CD-1) with intent to Drill.

- File Completion Form ACC-1 within 120 days of spud date:

- File sewage treatment facilities report to district office prior to opening.

- 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:

Void Not Drilled - Permit Expired

Signature of Operator or Agent:
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: ANDRESON
Well Number: A7
Field: MOREL
Number of Acres attributable to well: QTR / OTH / OTR of acreage: C/W __ NW __ SW

Location of Well: County: GRAHAM
1980
330
Sec. 16
Twp. 9
S. R. 21

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.)

NOTE: In all cases locate the spot of the proposed drilling location.

Graham County, Kansas

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; CO-8 for gas wells).