NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well

Kansas Corporation Commission
Oil & Gas Conservation Division

FORM C-1
December 2000
Form must be Typed
Form must be Signed
All blanks must be filled

Expected Spud Date: June 29, 2005

OPERATOR:
Name: Black Diamond Oil, Inc.
Address: P.O. Box 561
City/State/Zip: Hills, KS 67650
Contact Person: Kenneth Velcic
Phone: (785) 625-0891

CONTRACTOR:
Name: Anderson Drilling

Well Drilled For: 
- Oil
- Gas
- Storage
- Gas Disposal
- Water
- Cable

Well Class: 
- Standard
- Air Rotary
- Mud Rotary
- Other

Type Equipment: 
- OD
- ID
- Other

Tubing String:
- # of Holes: 

Sent: 
- 5-30-2005
- 5-30-2005

Contractor License: 33231 (5-30-2005)
Name: Anderson Drilling

Drilling License:
- Name: Anderson Drilling
- Date: 06-14-2005
- # of Holes: 

Well Name: 
- Original Completion Date: 
- Original Total Depth: 
- Initial Date: 
- Vertical: 
- Directional: 

Well Location:
- X: 
- Y: 
- Z: 

KCC DKT #: 
- JUN 4 2005

Affidavit
The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-56 et seq.

It is agreed that the following minimum requirements will be met:

1. The appropriate district office prior to spudding of well;
2. A copy of the approved notice of intent to drill shall be posted at 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.

Or pursuant to Appendix "B" - Eastern Kansas surface casing under #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.

Signature of Operator or Area:

Date: June 24, 2005

Mail to:
KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67222

For KCC Use Only:

APR 15 - 045 - 23079 - 00 00

Conductor pipe required: 
- No

Minimum surface pipe required: 
- 2000 feet per Alt.

Approved to 
- 5-24-05

This authorization expires: 
- 12-24-05

Spud date: 
- Agent:

Remember to:
- File Drilling Application from K.D.O. with Intent to Drill;
- File Completion Form KCO-1 within 120 days of Intent to Drill;
- File acreage attribution plot according to field protection orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (KCO-4) after plugging is completed;
- Obtain aerial view or before disposing of or injecting salt water;
- If this permit has expired (user authorized expiration date) please mark the box below and return to the address below.

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

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67222
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 relation 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: Location of Well: County: Graham
Operator: Black Diamond Oil, Inc. 480 feet from N Line of Section
License: T 1600 feet from E Line of Section
Well Number: 1 Sec. 5, Tp. 8
Field:

Is Section: Regular or Irregular

If Section is irregular, locate well from nearest corner boundary.

Number of Acres attributable to well:

GTR / QTR / QTR of acreage: SW, NE, NW

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: (CD-7 for oil wells; CD-8 for gas wells).