STATE OF KANSAS
NOTICE OF INTENT TO DRILL

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

Expected Spud Date: _______________ September, 15, 1997 _______________

month    day    year

Operator: License #: 3956
Name: Brungardt Oil & Gas Leasing Co.
Address: P.O. Box 871
City/State/Zip: Russell, KS 67665
Contact Person: Gary L. Brungardt
Phone: 913-483-4975

Contractor: License #: 5184
Name: Shields Drilling Co.

Well Drilled For: Oil
Well Class: Enh Rec
Type Equipment: X Mud Rotary

Depth to bottom of fresh water: ___________ ft
Depth to bottom of usable water: ___________ ft
Surface Pipe by Alternate: __________ 1 XX
Length of Surface Pipe Planned to be set: ____________ ft
Length of Conductor pipe required: __________ None
Projected Total Depth: __________ 3400
Formation at Total Depth: __________ Kansas City
Water Source for Drilling Operations: __________ well

DVR Permit #: __________ Farm Pond: __________ other
Will Coring be Taken: __________ Yes/No
If yes, true vertical 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 is 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: 9-2-1997
Signature of Operator or Agent: ______________________
Title: __________ Owner:

FOR KCC USE:
API # 15-141 - 203390000
Conductor pipe required: None
Minimum surface pipe required: 200 feet per Alt. (X2)
Approved by: ____________ 3-5-97

This authorization expires 3-5-98
(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 ACD-1 within 120 days of spud date;
- File acreage attribution plat according to field description 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 67202-1284.
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 ____________________________ LOCATION OF WELL: COUNTY ____________________________
LEASE ____________________________ feet from south/north line of section ____________ feet from east/west line of section ____________________________
FIELD ____________________________ 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

(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.