NOTICE OF INTENT TO DRILL

Expected Spud Date: February 22, 2004

OPERATOR: License# 5056
Name: F.G. Holl Company, L.L.C.
Address: 9431 E. Central, Suite #100
City/State/Zip: Wichita, Kansas 67206-2543
Contact Person: Franklin R. Greenbaum
Phone: (316) 884-8481

CONTRACTOR: License# 5142
Name: Sterling Drilling Company, Rig #4

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

If OWWO: old well information as follows:
Operator: 
Well Name: 
Original Completion Date: 
Original Total Depth: 

Directional, Deviated or Horizontal wellbore? Yes

Bottom Hole Location: 

KCC DKT #: 

AFFIDAVIT

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

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: 01/27/2004
Signature of Operator or Agent: Franklin R. Greenbaum
Title: Exploration Manager

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 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.

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: 

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202
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: F.G. Holl Company, L.L.C.
Lease: HAMPTON
Well Number: 1-3
Field: Eads

Location of Well: County: Barber


1650 feet from N / S Line of Section
2310 feet from E / W Line of Section
Sec. 3 Twp. 30 S. R. 14

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.

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: (C0-7 for oil wells; CG-8 for gas wells).
January 29, 2004

Mr. Franklin R. Greenbaum  
F.G. Holl Company, LLC  
9431 E. Central Ste 100  
Wichita, KS 67206-2543

RE: Drilling Pit Application  
Hampton Lease Well No. 1-3  
SW/4 Sec. 03-30S-14W  
Barber County, Kansas

Dear Mr. Greenbaum:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed without slots, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again as soon as practical after drilling operations have ceased.  
Please keep the pits away from the waterway.

If production casing is set all completion fluids shall be removed on a daily basis.

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 when the fluids have been removed. Also please file the enclosed CDP-5 form, Surface Pond Waste Transfer, within 30 days of fluid removal.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill.  
If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,

[Signature]

Kathleen Haynes  
Environmental Protection and Remediation Department

cc: S Durrant