KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL

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

Expected Spud Date: December 9, 2003

OPERATOR: License#: 5056
Name: F.G. Holm Company, L.L.C.
Address: 9431 E. Central, Suite #100
City/State/Zip: Wichita, Kansas 67206-2543
Contact Person: Franklin R. Greenbaum
Phone: (316) 684-8481

CONTRACTOR: License#: 5929
Name: Duke Drilling, Rig #8

Well Drilled For: Yes
Well Class: Oil
Type Equipment: Infield

Wells: Oil
Ench Rec
Gas
Storage
OWO
Disposal
Wildcat
Seismic
No
Other

If OWO: old well information as follows:

Original Completion Date:
Original Total Depth:

Directional, Deviated or Horizontal wellbores: No

KCC DKT #:

RECEIVED: Yes

KANSAS CORPORATION COMMISSION
CONSERVATION DIVISION: WICHITA, KS

DEC 03 2003

AFFIDAVIT

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

It is agreed that the following 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.

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

Date: 12/03/2003
Signature of Operator or Agent:

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. Holt Company, L.L.C.
Lease: POWELL
Well Number: 1-9
Field: Taylor West Abandoned

Number of Acres attributable to well: __________________________
QTR / QTR / QTR of acreage: SE _____ NE _____ SE _____

Location of Well: County: Stafford
1750 ft from N / S
330 ft from E / W
Sec. 9 Twp. 21 S. R. 14
Line of Section
East / West

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: (CG-7 for oil wells; CG-8 for gas wells).
December 4, 2003

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

RE: Drilling Pit Application  
Powell Lease Well No. 1-9  
SE/4 Sec. 09-21S-14W  
Stafford 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.

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