For KCC Use: 11. 9. 03

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: November 10, 2003

OPERATOR: License#: 6006
Name: MOLZ OIL CO., INC.
Address: 19159 SW Clairmont
City/State/Zip: Kiowa, Kansas 67070
Contact Person: Jim Molz
Phone: 620/296-4558

CONTRACTOR: License#: 5929
Name: DUKE DRILLING CO., INC.

Type Equipment: [X] Mud Rotary [X] Air Rotary [X] Other

Coordinates:

Spot C.N. NE. NW Sec. 3 Twp. 33 S. R. 10 [X] East
6600 feet from X N / S Line of Section
1980 feet from E / X W Line of Section

Is SECTION [X] Regular [ ] Irregular?
(Note: Locate well on the Section Plats on reverse side.)
County: Barber
Lease Name: RUBY RUCKER Well #: 3
Field Name: [X] Yes [ ] No
Target Information(s): Mississippi
Nearest Lease or unit boundary: 660'
Ground Surface Elevation: feet MSL
Water well within one-quarter mile: [X] Yes [ ] No
Public water supply well within one mile: [X] Yes [ ] No
Depth to bottom of fresh water: 120'
Depth to bottom of usable water: 180'
Surface Pipe by Alternate: [X] 1 [X] 2
Length of Surface Pipe Required: 2134 feet
Length of Conductor Pipe Required: N/A
Projected Total Depth: 4770'
Formation at Total Depth: Mississippi
Water Source for Drilling Operations:
[ ] Well [ ] Farm Pond [X] Other [ ]
DWR Permit #: [ ]
Will Cores be taken? [ ] Yes [X] No
(Note: Apply for Permit with DWR [ ])
If Yes, proposed zone:

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 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 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: 10/31/03 Signature of Operator or Agent: Blyers
Title: Agent

For KCC Use ONLY
API # 15 - 007 - 22644 - 0001
Conductor pipe required - NONE feet
Minimum surface pipe required - 213 feet per Alt. 0
Approved by: RSP 11.4.03
This authorization expires: 5.4.04
(Ths authorization void if drilling not started within 6 months of effective date.)
Spud date: __________ Agent: __________

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 - Location of Well: County: ________________________________
Operator: [ ]
Lease: [ ]
Well Number: [ ]
Field: [ ]

Number of Acres attributable to well: [ ]
QTR / QTR / QTR of acreage: [ ]

Location from [N] / [S] Line of Section [ ]
feet from [E] / [W] Line of Section [ ]
Sec. [ ] Twp. [ ] S., R. [ ]
[ ] 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: (C0-7 for oil wells; CG-6 for gas wells).
November 3, 2003

Mr. Jim Molz
Molz Oil Co., Inc.
19159 SW Clairmont
Kiowa, KS 67070

RE: Drilling Pit Application
Ruby Rucker Lease Well No. 3 OWWO
NW/4 Sec. 03-33S-10W
Barber County, Kansas

Dear Mr. Molz:

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 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,

Kathleen Haynes
Environmental Protection and Remediation Department

cc: S Durrant