NOTICE OF INTENT TO DRILL

OPERATOR: Nadel and Gussman, L.L.C.
Address: 15 E. 5th St., Suite 3200
City/State/Zip: Tulsa, OK 74103
Contact Person: Chuck Coday
Phone: 918/583-3333

CONTRACTOR: Murrin Drilling Co., Inc.
License#: 30606

Well Drilled For: Oil, Gas, QWO, Seismic
Well Class: Enh Rec, Storage, Disposal, # of Holes
Type Equipment: Infield, Pool Ext., Wildcat, Other

Expected Spud Date: November 29, 2003

Spotted SE SE NW Sec. 31 Twp. 32 S. R. 42

Water well within one-quarter mile: Yes
Public water supply well within one mile: Yes
Depth to bottom of fresh water: 200
Depth to bottom of usable water: 460

Water well by Alternate: X 1 2
Length of Surface Pipe Planned to set: 1450
Length of Conductor Pipe required: NA

Projected Total Depth: 5200
Formation at Total Depth: Morrow
Water Source for Drilling Operations: Farmers well

Drilled Total Depth: 1450
Completion at Total Depth: Morrow

Well Name: Smith Trust
Field Name: Wildcat

Is this a Prorated / Spaced Field? Yes

Target Information:

Nearest Lease or unit boundary: 2310

Ground Surface Elevation: 3507 feet MSL

Is SECTION Regular Irregular? Yes
(Note: Locate well on the Section Plat on reverse side)

County: Morton

Lease Information:

Lease #: 1-31

Is KCC to Sign? Yes

Wells drilled by others: None

Directional, Deviated or Horizontal wellbore? Yes

Directional, Deviated or Horizontal wellbore: Yes

If Yes, true vertical depth:

Bottom Hole Location: KCC DKT #:

KANSAS CORPORATION COMMISSION

Received: NOV 13 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 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: 11/12/03 Signature of Operator or Agent: Chuck Coday Title: Sr. Operations Engineer

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: 11/12/03

Mall 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: Nadel and Gussman, L.L.C.
Lease: Smith Trust
Well Number: 1-31
Field: Wildcat

Number of Acres attributable to well:
QTR / QTR / QTR of acreage: SE . SE . NW

Location of Well: County: Morton

2310 feet from N / S Line of Section
2310 feet from E / W Line of Section
Sec. 31 Twp. 32 S. R. 42

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).