NOTICE OF INTENT TO DRILL

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

Effective Date: 3.22.04

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

RECEIVED MAR 15 2004

KCC WICHITA

For KCC Use:

District # 4

SGA? [ ] Yes [ ] No

Expected Spud Date: 3 month 20 day 2004

OPERATOR: License #: 3842

LARSON OPERATING COMPANY
A DIVISION OF LARSON ENGINEERING, INC.

Name: TOM LARSON
Address: 562 WEST HWAY 4
City/State/Zip: OLMITZ, KS 67564-8561
Contact Person: Phone: (620) 853-7368

CONTRACTOR: License #: 5184

SHIELDS DRILLING COMPANY, INC.

Name: SHIELDS OIL PRODUCERS, INC.

Well Drilled For: [ ] Oil [ ] Enh Rec [ ] Mud Rotary

Well Class: [ ] Gas [ ] Infield

Type Equipment: [ ] OWWO [ ] Pool Ext.

[ ] Seismic: [ ] # of Holes [ ] Other

[ ] Other

If OWWO: old well information as follows:

Operator: [ ] Yes [ ] No

Well Name: [ ] Original Completion Date: [ ] Original Total Depth: [ ]

Directional, Deviated or Horizontal wellbore? [ ] Yes [ ] No

Bottom Hole Location: [ ]

KCC DKT#: [ ]

Spot 150° EAST OF

NW - NW - SW Sec. 35

Twp. 10 S. - R. 17 E.

Is SECTION Regular [ ] Irregular [ ]

(Note: Locate well on the Section Plat on Reverse Side)

County: ROCKS

Lease Name: BRUNGARDT UNIT

Well #: 22

Field Name: BRUNGARDT

Is this a Prorated / Spaced Field? [ ] Yes [ ] No

Target Formation(s): ARBUCKLE, CONGLOMERATE

Nearest Lease or unit boundary: 330'

Ground Surface Elevation: 2050 ESTIMATED

Water well within one-quarter mile: [ ] Yes [ ] No

Public water supply well within one mile: [ ] Yes [ ] No

Depth to bottom of fresh water: 180'

Depth to bottom of usable water: 520'

Surface Pipe by Alternate: [ ] 1 [ ] 2

Length of Surface Pipe Planned to be set: 200'

Length of Conductor pipe required: NONE

Projected Total Depth: 3700'

Formation at Total Depth: ARBUCKLE

Water Source for Drilling Operations: [ ] Well [ ] Farm Pond [ ] Other

DWR Permit #: [ ]

Will Cores Be Taken? [ ] Yes [ ] No

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. 55-101, 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 a 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 plug 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 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: 03/12/2004

Signature of Operator or Agent: [ ]

Title: [ ]

PRESIDENT

Remember:

- 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

For KCC use ONLY

API # 15 - 163-23402000

Conductor pipe required NONE feet

Minimum surface pipe required 200 feet per Alt. +

Approved by: RSP3-17-04

This authorization expires: 9-17-04

(This authorization void if drilling not started within 6 months of effective date.)

Spud date: [ ]

Agent: [ ]
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 -
LARSON OPERATING COMPANY
Operator: A DIVISION OF LARSON ENGINEERING, INC.
Lease: BRUNGARDT UNIT
Well Number: 22
Field: BRUNGARDT

Location of Well: County: ROOKS
2310 feet from N / S Line of Section
480 feet from E / W Line of Section
Sec. 35 Twp. 10 S. R. 17

Is Section: [ ] Regular or [x] Irregular

If Section is Irregular, locate well from nearest corner boundary.

Section corner used: [ ] NE [ ] NW [ ] SE [x] 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: (CO-7 for oil wells; CG-8 for gas wells).