NOTICE OF INTENT TO DRILL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

March 8, 2004

Revised

March 7, 2004
KCC WICHITA

Expected Spud Date: March 8, 2004

Operator:
License #: 3293
Name: Russell Oil, Inc.
Address: PO Box 2410
City/State/Zip: Plainfield, IL 60544
Contact Person: Larry Holt II
Phone: 815-609-7000

Contractor:
License #: 5184
Name: Shields Oil Producers, Inc.

Well Drilled For: Oil
Well Class: Infield
Type: Wildcat

Spotted:

AP

N
N

150°

East

West

500

feet

S

E

Line of Section

Is Section: Regular

Irregular

(Note: Locate well on the Section Plat on reverse side)

County: Graham

Lease Name: Rice Trust C
Field Name: 1-17

Is this a Prorated / Spaced Field?

Yes

No

Target Formation(s):

Lansing Kansas City

Nearest Lease or Unit Boundary: 500'

Ground Surface Elevation: 2098 feet MSL

Water well within one-quarter mile:

Yes

No

Public water supply well within one mile:

Yes

No

Depth to bottom of fresh water: 150'

Depth to bottom of usable water: 900'

Surface Pipe by Alternate: 1

2

Length of Surface Pipe Planned to be set: 250'

Length of Conductor Pipe required: none

Projected Total Depth: 3700'

Formation at Total Depth: Marmaton

Water Source for Drilling Operations:

Well

Farm Pond

Other

DWR Permit #: 1

(Note: Apply for Permit with DWR)

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 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 ALTERATIVE 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.

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

Date: 3-2-2004

Signature of Operator or Agent: [Signature]
Title: [Title]

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: Russell Oil, Inc.
Lease: Rice Trust C
Well Number: 1-17
Field: na

Number of Acres attributable to well: __________________________
QTR / QTR / QTR of acreage: __________ - __________ - __________

Location of Well: County: Graham
500 feet from ✓ N / ✓ S Line of Section
1150' feet from ✓ E / ✓ W Line of Section
Sec. 17 Twp. 8 S. R. 22
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).