NOTICE OF INTENT TO DRILL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

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

For KCC Use:

Effective Date: 4.20.04
District:
SGA? Yes No

OPERATOR: License# 8729
Name: Hertel Oil Company
Address: 704 E. 12th St.
City/State/Zip: Hays, Kansas 67601
Contact Person: Mike Hertel
Phone: 785-628-2445

CONTRACTOR: License# 9431
Name: Vonfeldt Drilling, Inc.

Well Drilled For: Oil Gas OWWO Seismic Other
Well Class: Enh Rec Storage Disposal Helic # of Holes Other
Type Equipment: Inf Field Pod Ext Wildcat Cable

If OWWO: old well information as follows:
Operator:
Original Completion Date:
Original Total Depth:
Directional, Deviated or Horizontal wellbore? Yes No
If Yes, true vertical depth:
Bottom Hole Location:

KCC DKT:

Spot 10°E + 10S°
N2 W N2 SE Sec. 19 Twp. 12 S R 17

Is SECTION Regular Irregular?

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

County: Ellis
Lease Name: Karlin
Field Name: Beemis Schutz

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): LKC-ARB
Nearest Lease or unit boundary: 435
Ground Surface Elevation: 2113 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: 180
Depth to bottom of usable water: 800
Surface Pipe by Alternate: 1 2
Length of Surface Pipe Planned to be set: 240
Length of Conductor Pipe required: None
Projected Total Depth: 3650
Formation at Total Depth: ARB
Water Source for Drilling Operations: Well Farm Pond Other
DWR Permit #: (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 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: 4/14/04 Signature of Operator or Agent: Sherry Days
Title: Agent

For KCC Use ONLY
API # 15: 051-25294.00.00
Conductor pipe required: None feet
Minimum surface pipe required 200 feet per Alt. 4
Approved by RSP 4.20.04
This authorization expires: 10.20.04
(This authorization void if 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 -
Operator: Hertel Oil Company
Lease: Karlin
Well Number: 1
Field:

Number of Acres attributable to well:
QTR / QTR / QTR of acreage: N/2 . N/2 . SE

Location of Well: County: Ellis
2205
1310 feet from □ N / □ S Line of Section
feet from □ E / □ W Line of Section
Sec. 19 Twp. 12 S. R. 17 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: (CO-7 for oil wells; CG-8 for gas wells).