For KCC Use: 4/26/04

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: April 28, 2004

OPERATOR: Licenses: 5003
Name: McCoy Petroleum Corporation
Address: 8080 E Central, Suite 300, Wichita, Ks 67206
Contact Person: Scott Hampel
Phone: 316-636-2737

CONTRACTOR: Licenses: 5142
Name: Sterling Drilling Co.

Well Drilled For:

- Oil
- Gas
- Storage
- Disposal
- Seismic
- Other

Well Class:

- Infield
- Fossil Exp.
- Air Rotary
- Cable

Equipment:

- Mud Rotary
- Air Rotary
- Cable

Well Location:

- Field Name: Spivey Grabs
- Lease Name: Yowell 'A'
- Well #: 1-2
- County: Harper
- Target Formation: Mississippian
- Water well within one-quarter mile: Yes
- Public water supply well within one mile: Yes
- Depth to bottom of fresh water: 150'
- Depth to bottom of usable water: 180'
- Surface Piper by Alterante: 1
- Length of Surface Piper planned: 200'
- Length of Conductor Piper required: None
- Projected Total Depth: 4425'
- Form Permit #: DWR

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 #123,981-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: 3/31/04

Signature of Operator or Agent: Scott Hampel
Title: Engineering/Production Mgr.

For KCC Use ONLY

API #: 15 - 077-214/79.000
Conductor pipe required: None
Minimum surface pipe required: 200
Approved by: RJ04-2104
This authorization expires 6/21/04

Spud date: 3/31/04

Mail to: KCC - Conservation Division, 130 S. Market - Room 2076, 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: McCoy Petroleum Corporation
Lease: Yowell 'A'
Well Number: 1-2
Field: Spivey Grabs
Number of Acres attributable to well: ________________________________
QTR / QTR / QTR of acreage: _______ SW _______ NW

Location of Well: County: Harper
Location: 1980 feet from
Sec. 2 Twp. 31 S. R. 8
N / S Line of Section
E / W Line of Section
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-6 for gas wells).
April 21, 2004

Mr. Scott Hampel
McCoy Petroleum Corporation
8080 E. Central Ste 300
Wichita, KS 67206

Re: Drilling Pit Application
Yowell A Lease Well No. 1-2
NW/4 Sec. 02-31S-08W
Harper County, Kansas

Dear Mr. Hampel:

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 the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again within 72 hours 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 (316) 337-6231 when the fluids have been removed. Also, please file the enclosed CDP-5, 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: Doug Louis