NOTICE OF INTENT TO DRILL

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

Expected Spud Date: August 2004

OPERATOR: License#: 03553
Name: Citation Oil & Gas Corp.
Address: P O Box 606088
City/State/Zip: Houston, Texas 77209
Contact Person: Sharon Ward / Jeff Lewis
Phone: 281-517-7309 / 405-681-9400

CONTRACTOR: License#: 9431
Name: Vosfeldt Drilling Inc.

Well Drilled For: Oil □ Gas □ Other □
Well Class: Enh Rec □ Storage □ OWO □ Disposal □ Seismic: _# of Holes: □ Other □
Type Equipment: Mud Rotary □ Air Rotary □ Wildcat □ Cable □

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

KCC DKT #: __________

Spt: SW SE SW SE
Sec. 36 Twp.12 S. R. 16
East 140' feet from N / West 1125' feet from E
Line of Section Line of Section
Is SECTION □ Regular □ Irregular?

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

County: Ellis
Lease Name: Wieland Unit
Field Name: Fairport
Is this a Prorated / Spaced Field? Yes □ No □
Target Formation(s): Topeka and Lansing Kansas City
Nearest Lease or unit boundary: 1515'
Ground Surface Elevation: 1852' 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: 580'
Surface Pipe by Alternate: Yes □ No □
Length of Surface Pipe Planned to be set: 925'
Length of Conductor Pipe required: None
Projected Total Depth: 33550'
Formation at Total Depth: Arbuckle
Water Source for Drilling Operations: Well □ Farm Pond □ Other □
DWR Permit #: N/A

Will Cores be taken? Yes □ No □
(Note: Apply for Permit with DWR □)
If Yes, proposed zone: __________

AFIDAVIT

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 surface water 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: June 24, 2004
Signature of Operator or Agent: Sharon Ward
Title: Regulatory Administrator

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.

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202