NOTICE OF INTENT TO DRILL

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

Expected Spud Date: August 2004

OPERATOR: Citation Oil & Gas Corp.
Name: 03553
Address: P O Box 990888
City/State/Zip: Houston, Texas 77269
Contact Person: Sharon Ward / Jeff Lewis
Phone: 281-517-7309 / 405-881-9400

CONTRACTOR: Vonfeldt Drilling Inc.
Name: 9431

Well Drilled For: Oil  Gas  QWOO  Seismic:  Other
Well Class: Enh Rec  Storage  Disposal  Seismic:  Other
Type Equipment: Infield  Pool Ext.  Wildcat  Other

If QWOO: old well information as follows:
Operator:
Well Name:
Original Completion Date: Original Total Depth: 1
Directional, Deviated or Horizontal wellbore?: Yes  No
If Yes, true vertical depth:
Bottom Hole Location:

KCC DKT #:

WAS: 15-051-23521-00 00
IS: 15-051-25321-00 00

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.

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 statement 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 (Sae: 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: 13-16

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