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 August 7, 2004

SPURATOR: License# 3532
CMX, Inc.
Address: 150 N. Main, Suite 1026
Wichita, KS 67202
Contact Person: Douglas H. McGinniss II
Phone: 316-269-9052
CONTRACTOR: License# 5929
Duke Drilling Co.

Well Drilled For: 
Oil [✓] Enh Rec [✓] Infield [✓] Mud Rotary
Gas [✓] Storage [✓] Pool Ext [✓] Air Rotary
OWO [✓] Disposable [✓] Wildcat [✓] Cable
Seismic: # of Holes Other

If OWNO: old well information as follows:
Operator:
Well Name:
Original Completion Date: Original Total Depth:

Directional, Deviated or Horizontal Wellbore?  Yes [✓] No

Bottom Hole Location:

KC: DKT #:

Spot NE [✓] NE Sec 8 Twp 35 S. R. 13 East
W. 2/4
Per
ers of
7 28

Is SECTION  ✓ Regular   Irregular?
(Note: Locate well on the Section Plat on reverse side)

County: Barber
Lease Name: Albert
Well #: 5
Field Name: Aetna Gas Area
Is this a Prorated / Spaced Field? Yes [✓] No
Target Formation(s): Misener, Viola

Nearest Lease or unit boundary: 330

Ground Surface Elevation: 1589

Water well within one-quarter mile: Yes [✓] No

Public water supply well within one mile: Yes [✓] No

Depth to bottom of fresh water: 150

Surface Pipe by Alternate: X

Length of Surface Pipe Planned to be set: 500

Length of Conductor Pipe required: None

Projected Total Depth: 5480

Formation at Total Depth: Ordovician

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. 55-101, 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 below any usable water surface within 120 days of spud date. 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, correct.

Date: 7/23/04

Signature of Operator or Agent:

Title: President

For KCC Use ONLY

API # 15: 007-22839-00-00

Conductor pipe required: NONE [✓] 200 feet for All [ ]

Approved by: RSP 7-28-04

This authorization expires: 7-28-05

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: CMX, Inc.
Lease: Albert
Well Number: 5
Field: Aetna

Number of Acres attributable to well: __________
QTR / QTR / QTR of acreage: NE __ NE __ NE SE

Location of Well: County: Barber
330 (circle one) Line of Section
320 2310' (circle one) Line of Section
Sec. 8 Twp. 35 S. R. 4
□ 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).

RECEIVED
JUL 26 2004
KCC WICHITA

EXAMPLE
1980
SEWARD CO.
July 27, 2004

Mr. Douglas H. McGinness II
CMX, Inc.
150 N. Main Ste 1026
Wichita, KS 67202

RE: Drilling Pit Application
Albert Lease Well No. 5
SE/4 Sec. 08-35S-13W
Barber County, Kansas

Dear Mr. McGinness:

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 as soon as practical 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 (620) 225-8888 when the fluids have been removed. Also please file the enclosed CDP-5 form, 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,

Kathy Haynes
Environmental Protection and Remediation Department

cc: S Durrant