NOTICE OF INTENT TO DRILL

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

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Spotted: 95’s SW 35’ Wf

Operator: Falcon Exploration, Inc.

License #: 5316

Address: 155 N. Market, Suite 1020
Wichita, KS 67202

Phone: 316-262-1378

Lic.: 30606

Name: Murfin Drilling Company

Well Drilled For: Oil
Well Class: Inf Field
Type Equipment: Mud Rotary

Expected Spud Date: July 6, 2004

City/State/Zip: Wichita, KS 67202

Contact Person: Michael S. Mitchell

Operator: J. Conell

Lease Name: Star Northwest

Field Name: Ellis

Is this a Prorated / Spaced Field?: No

Target Formation(s): LKC, Arbuckle

Nearest Lease or unit boundary: 365’

Surface Elevation: 2075

Water well within one-quarter mile: No

Public water supply well within one mile: No

Depth to bottom of fresh water: 180 ft

Depth to bottom of usable water: 720 ft

Surface Pipe by Alternate: 1

Length of Surface Pipe Planned to be set: 235’

Length of Conductor Pipe required: None

Projected Total Depth: 3750 ft

Formation at Total Depth: Arbuckle

Water Source for Drilling Operations:

KCC DKT #: 2

Original Completion Date: Original Total Depth:

Directional, Deviated or Horizontal well?: No

Bottom Hole Location: Wichita, KS

Well Boundary:

UNIT BOUNDARY

REC’D CONSERVATION DIVISION WICHITA, KS 67202

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: 06/30/04

Signature of Operator or Agent: President

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.

Well Not Drilled - Permit Expired

Date:

Signature of Operator or Agent:

For KCC Use ONLY

API # 15 - 051 25 329 00 00

Conductor pipe required: None

Minimum surface pipe required: 200 feet per Alt.

Approved by: RSG 30 04

This authorization expires: 12 30 04

(This authorization void if drilling not started within 6 months of effective date.)

Spud date: Agent:

Field 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 - Location of Well: County: Ellis
Operator: Falcon Exploration, Inc. 2545 feet from E / W Line of Section
Lease: D. Conell 365 feet from S / E Line of Section
Well Number: 1 Sec. 26 Twp. 11 S. R. 20
Field: Star Northwest

Number of Acres attributable to well: Is Section: □ Regular or □ Irregular
QTR / QTR / QTR of acreage: □ NE □ NW □ SE □ SW

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.)

RECEIVED
KANSAS CORPORATION COMMISSION
JUN 30 2004
CONSERVATION DIVISION
WICHITA, KS

EXAMPLE

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).