For KCC Use: 8-2-04

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: August 10, 2004

OPERATOR: License# 8729
Name: HERTEL OIL COMPANY, LLC
Address: 704 East 12th Street
City/State/Zip: Hays, KS 67601
Contact Person: David Hertel
Phone: (785) 628-2445

CONTRACTOR: License# 31548
Name: Discovery Drilling

Spot 130' S of CE/2. NE SW Sec. 8 Twp 14 S. R. 17W East
Is SECTION Regular Irregular?

County: Ellis
Lease Name: Dog Pound
Well #: 1-8
Field Name: Younger

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

Directional, Deviated or Horizontal wellbore? Yes No

Bottom Hole Location: RECEIVED
KCC DKT #:

JUL 28 2004
KCC, WICHITA

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. 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: July 25, 2004 Signature of Operator or Agent: Tills: Agent

For KCC Use ONLY
API # 15: 051-25337.0000
Conductor pipe required: None
Minimum surface pipe required: 200
Approved by:
This authorization expires: 1-28-04

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: HERTEL OIL COMPANY, LLC  
Lease: Dog Pound  
Well Number: 1-8  
Field: Younger  
Number of Acres attributable to well:  
QTR / QTR / QTR of acreage:  

Location of Well: County: Ellis  
1850 feet from N / X 6 Line of Section  
2310 feet from E / X W Line of Section  
Sec. 8 Twp. 14 S. R. 17N  
Is Section: X 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.)

RECEIVED  
JUL 28 2004  
KCC WICHITA

EXAMPLE  
1980  
10  
3390'

SEWARD CO.

NOTE: In all cases locate the spot of the proposed drilling location.
Ellis Co., KS

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: (CD-7 for oil wells; CG-8 for gas wells).