NOTICE OF INTENT TO DRILL

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

Expected Spud Date

Operat or: License# 9615
Joe Gerster Oil
Address: 302 E. Sycamore
City/State/Zip: Ness City, Kansas 67560
Contact Person: Deb Stenzel
Phone: (785) 798-2893

Contractor: License# 5123
Name: Pickrell Drilling Company, Inc.

Well Drilled For:

Oil
Gas
OWO
Seismic:
Other:

Well Class:

Enh Rec
Storage
Disposal
Wildcat
Other:

Type Equipment:

Mud Rotary
Air Rotary
Cable

Location: KCC WICHITA

Well 185' N & 140' W of
NW  SE  SE Sec. 2 Twp. 20 S. R. 24

RECEIVED

JUL 3 0 2004

Spotted 1175 feet from N Line of Section

1130 feet from E Line of Section

Is SECTION Regular/ Irregular?

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

County: Ness
Lease Name: Beardlee
Well #: 1
Field Name: H-L

Is this a Prorated / Spaced Well?

Yes

Target Formation(s):
Mississippian

Nearest Lease or unit boundary: 1130

Ground Surface Elevation: 2327

Water well within one-quarter mile:

Yes

Public water supply well within one mile:

Yes

Depth to bottom of fresh water:

180

Depth to bottom of usable water:

750

Surface Pipe by Alternate: 1  2

Length of Surface Pipe Planned to be set:

200+

Length of Conductor Pipe required: None

Projected Total Depth: 4450

Formation at Total Depth: Mississippian

Water Source for Drilling Operations:

Well

DWR Permit #: (Note: Apply for Permit with DWR )

Will Cores be taken?

Yes

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 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: July 29, 2004
Signature of Operator or Agent:

Title: 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: Joe Gerstner Oil
Lease: Beardslee
Well Number: 1
Field: H-L

Number of Acres attributable to well: QTR / QTR / QTR of acreage: NW SE SE

Location of Well: County: Ness
1175 feet from N / S Line of Section
1130 feet from E / W Line of Section
Sec. 2 Twp. 20 S R. 24
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.

NESS CO.

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).