KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL

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

For KCC Use:
Date: 9-15-04

Effective Date: December 2002

District #:

SGA? Yes No

Form must be Typed
Form must be Signed
All blanks must be Filled

Expected Spud Date: September 20, 2004

OPERATOR:
License #: 4058
Name: AMERICAN WARRIOR, INC.
Address: P.O. Box 399
City/State/Zip: Garden City, KS 67846
Contact Person: Cecil O'Brien
Phone: (620) 275-9231

CONTRACTOR:
License #: 31548
Name: Discovery Drilling

Spot: 40'S & 20'W of

C. NW - NE Sec. 7 Twp. 8 S. R. 21W

Is SECTION Regular Irregular?

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

County: Graham
Lease Name: Kenyon
Field Name: Luck NE
Target Information(s): LKC & Arbuckle

Nearest Lease or unit boundary: 640'

Ground Surface Elevation: 2050 BSL feet MSL

Water well within one-quarter mile: X Yes No
Public water supply well within one mile: X Yes No
Depth to bottom of fresh water: 150'
Depth to bottom of usable water: 850'

Surface Pipe by Alternate: 1 X 2
Length of Surface Pipe Planned to be set: 200'

Length of Conductor Pipe required: None

Projected Total Depth: 3600'
Formation at Total Depth: Arbuckle
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:

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

KCC DKT #:

CONDUCTOR PIPE IS REQUIRED IF SURFACE ELEVATION IS LESS THAN 2000' MSL

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 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 will 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: 3 September 04
Signature of Operator or Agent:

For KCC Use ONLY
API #: 15
Spud date: 3 September 04

Conductor Pipe required: NO

Minimum surface pipe required: 200 feet per Alt. + 6

This authorization expires: 3-30-05

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

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

Signature of Operator or Agent:

Date:

Mall 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: AMERICAN WARRIOR, INC.
Lease: Kenyon
Well Number: 5-7
Field: Luck NE

Location of Well: County: Graham

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<th>Twp.</th>
<th>R.</th>
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<th>W.</th>
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<tr>
<td>7</td>
<td>8</td>
<td>21W</td>
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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.)

NOTE: In all cases locate the spot of the proposed drilling location.
Graham 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: (CG-7 for oil wells; CG-8 for gas wells).
September 10, 2004

Mr. Cecil O'Brate
American Warrior, Inc.
PO Box 399
Garden City, KS 67846

RE: Drilling Pit Application
Kenyon Lease Well No. 5-7
NE/4 Sec. 07-08S-21W
Graham County, Kansas

Dear Mr. O'Brate:

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 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 (785) 625-0550 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,

[Signature]
Kathy Haynes
Environmental Protection and Remediation Department

cc: H Deines

Conservation Division, Finney State Office Building, 130 S. Merkert, Room 2078, Wichita, KS 67202-3802
Voice 316.337.6200  Fax 316.337.6211  www.kcc.state.ks.us