NOTICE OF INTENT TO DRILL

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

Expected Spud Date: 10/20/04

OPERATOR: License#: 32302
Name: Key Gas Corp.
Address: 155 N. Market, Suite 900
City/State/Zip: Wichita, KS 67202
Contact Person: Rod Andersen
Phone: (316) 265-2270

CONTRACTOR: License#: 33436
Name: Forrest Energy

Well Drilled For: Oil
Well Class: Enh Rec
Type Equipment: Mud Rotary

If OWWO: old well information as follows:
Operator:
Well Name:
Original Completion Date:
Original Total Depth:
Directional, Deviated or Horizontal wellbore?
Yes
Bottom Hole Location:
KCC DKT #:

AFIDAVIT

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.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: 10/22/04
Signature of Operator or Agent: [Signature]
Title: [Title]

Received: OCT 22 2004

KANSAS CORPORATION COMMISSION

CONSERVATION DIVISION

For KCC Use ONLY
API #: 051-253580000
Conductor pipe required: None
Minimum surface pipe required: 720 feet
Approved by: RSP 10-22-04
This authorization expired: 4-22-05
(If this authorization void if drilling not started within 6 months of effective date.)

Date: 10/22/04
Agent:

Remember to:
- File Drill Pt 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:

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202