For KCC Use:

Effective Date: 10-24-04
District #: 
SGA? Yes No

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: November 15, 2004

OPERATOR: License#: 5135
Name: John O. Farmer, Inc.
Address: PO Box 352, Russell, KS 67665
Contact Person: John O. Farmer IV
Phone: 785-483-3144

CONTRACTOR: License#: 31548
Name: Discovery Drilling

Spot

<table>
<thead>
<tr>
<th>Spot Info</th>
<th>E/2</th>
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<tr>
<td>Sec. 5</td>
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<td>Twp. 13S</td>
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<td>S. R. 17</td>
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<td>feet from</td>
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<td>Line of Section</td>
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<td>feet from</td>
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<td>Line of Section</td>
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Is SECTION Regular Irregular? Yes No

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

County: Ellis
Lease Name: Nuss-Herald Unit
Well #: 1
Field Name: Reed

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): LKC, Arbuckle

Nearest Lease or unit boundary: 572'

Ground Surface Elevation: 2065 EGL

Water well within one-quarter mile: Yes No

Public water supply well within one mile: Yes No

Depth to bottom of fresh water: 180'

Depth to bottom of usable water: 800'

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 200'

Length of Conductor Pipe required: none

Projected Total Depth: 3650'

Formation at Total Depth: Arbuckle

Water Source for Drilling Operations:

DWR Permit #: 

Will Cores be taken? Yes No

(Note: Apply for Permit with DWR)

If Yes, proposed zone:

Unit Information received

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 in the best of my knowledge and belief.

Date: 10-12-2004 Signature of Operator or Agent: John O. Farmer

Title: Vice President

For KCC Use ONLY

API #: 051.25354.00 00
Conductor pipe required: None
Minimum surface pipe required: 200 feet per Alt. + 0
This authorization expires: 4-19-05
Spud date: October 15, 2004 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: John O. Farmer, Inc.
Lease: Nuss-Herald Unit
Well Number: 1
Field: Reed

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

Location of Well: County: Ellis
2660 feet from N / ✓ S Line of Section
1030 feet from ✓ E / W Line of Section
Sec. 5 Twp. 13S S. R. 17
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.

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).