NOTICE OF INTENT TO DRILL

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

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

For KCC Use:

Effective Date: 5-9-04
District # 2
SGA? □ Yes □ No

Expected Spud Date: June 10, 2004

OPERATOR: Licensee 33192 12/28/03
Name: Crown Energy Company
Address: One North Hudson, Sixth Floor
City/State/Zip: Oklahoma City, Ok. 73102-5011
Contact Person: Dallas Flowers
Phone: 316-321-0550

CONTRACTOR: Licensee 32701 9/18/04
Name: C&G Drilling Inc

Well Drilled For:

☐ Gas  ☐ Storage  ☐ Oil  ☐ Disposal  ☐ Water  ☐ Seismic  ☐ Other

Well Class:

☐ Infield  ☐ Pool Ext.  ☐ Air Rotary  ☐ Wildcat  ☐ Cable  ☐ Other

Type Equipment:

☐ Mud Rotary  ☐ Spot  ☐ NE  ☐ Sec. 10  ☐ East

Sent 28  feet from N  ☑ S Line of Section

4060  feet from ☑ E  ☑ W Line of Section

Is SECTION ☑ Regular ☐ Irregular

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

County: Butler
Lease Name: Gilliland  R
Well #: 2X
Field Name: Kramer-Stern
Is this a Prorated / Spaced Field? ☑ Yes ☐ No
Target Formation(s): Kansas City

Nearest Lease or unit boundary: 330
Ground Surface Elevation: 1386
Water well within one quarter mile: ☑ Yes ☐ No
Public water supply well within one mile: ☑ Yes ☐ No
Depth to bottom of fresh water: 150
Depth to bottom of usable water: 180
Surface Pipe by Alternate: ☐ 1 ☑ 2
Length of Surface Pipe Planned to set: 200-202
Length of Conductor Pipe required: 400
Projected Total Depth: 2300
Formation at Total Depth: Kansas City

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:

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 # 133,991-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: 5/03/04
Signature of Operator or Agent: __________________________________________
Title: Production Superintendent

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: 10-28-04

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