Effective Date: 8-20-99

State of Kansas
Notice of Intention to Drill
Must be approved by the K.C.C. five (5) days prior to commencing well.

Expected Spud Date: 9-15-99

Operator: License # 30606
Name: Muxfin Drilling Company, Inc.
Address: 250 N. Water, Suite 300, Wichita, KS 67202
Contact Person: Scott Robinson
Phone: (316) 267-3241

Well Drilled For: Oil
Well Class: Infield
Type Equipment: Mud Rotary

NOTICE OF INTENTION TO DRILL
FORM MUST BE TYPED
FORM MUST BE SIGNED
ALL BLANKS MUST BE FILLED

Spot
 Sec. 23, Twp. 5, Rg 20, X, East

Is Section X Regular or Irregular?
(NOTE: Locate well on the Section Plat on Reverse Side)

County: Phillips

Lease Name: Hansen

Well #: 15

Field Name: Hansen

Is this a Prorated/Spaced Field? Yes
Target Formation(s): Arbuckle

Nearest lease or unit boundary: 330'

Ground Surface Elevation: 2163'

Public water supply well within one mile: Yes

Depth to bottom of fresh water: 220'

Depth to bottom of usable water: 280'

Surface Pipe by Alternate: Length of Surface Pipe Planned to be set: 3600'

Length of Conductor pipe required: 1

Projected Total Depth: 3500'

Formation at Total Depth: Arbuckle

Water Source for Drilling Operations: well

Directional, Deviated or Horizontal wellbore? Yes

If yes, true vertical depth: 

Bottom Hole Location:

Affidavit

The undersigned affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, 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. In all cases, notify district office prior to any cementing.

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

Date: 8/18/99

Signature of Operator or Agent: Scott Robinson
Title: Agent for Operator

For KCC use:
API # 15-147-20590-0000
Conductor pipe required 900 feet
Minimum surface pipe required 240 feet per Alt.
Approved by: January 26, 1999
This authorization expires: 2/26/2000
(2) This authorization void if drilling not started within 6 months of effective date.

Spud date: 8/18/99
Agent: Scott Robinson

Remainder:
- 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 partition 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.

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 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 __________________________
LEASE ______________________________
WELL NUMBER ________________________
FIELD ______________________________
LOCATION OF WELL: COUNTY_____________
feet from south/north line of section_____
feet from east/west line of section_______
SECTION____ TWP_______ RG__________

NUMBER OF ACRES ATTRIBUTABLE TO WELL_____
QTR/QTR/QTR OF ACREAGE ____________
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.)

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; and
3) the distance to the nearest lease or unit boundary line.

EXAMPLE

SEWARD CO.