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

Must be approved by KCC 14 days prior to commencing well

Pre-KCC Use: 1-24-05
District # 1
SAS # 1

Expected Spud Date 2/5/05

OPERATOR: 3532
Name: ZMK, Inc.
Address: 126 Main, Suite 1026
City/State/Zip: Wichita, KS 67202
Contact Person: Douglas R. McGinniss II
Phone: 316-279-9058

CONTRACTOR: License 3929
Name: Duke Drilling Co.

Well Class: [Blank]
Type Equipment: [Blank]

Driller: [Blank]
D.E. Storage: [Blank]
Pool Elev: [Blank]
Air Rotary: [Blank]
Sump: [Blank]
Disposal: [Blank]
Wildcat: [Blank]
Cable: [Blank]

Well Completion Date: [Blank]
Original Total Depth: [Blank]

Directional, Deviated or Horizontal well?: [Yes] [No]

Bottom Hole Location: [Blank]
KCC DNI #: [Blank]

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-501, sec.

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 plugging cement to the top; in all cases surface pipe shall be set through 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 or plug length and placement is necessary prior to pluging.
5. The appropriate district office will be notified below well is either plugged or abandonment is consummated.

If the well is an ALTERNATIVE II COMPLETION, production pipe shall be cemented from the top of the usable water surface to within 120 days of spud date. All wells shall be plugged or abandoned within 30 days of the spud date or the well shall be plugged and abandoned.

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

Date: 11/06
Signature of Operator or Authorized Representative: [Signature]

For KCC site only

API # 15 - 007-22873-00-00
Conductor pipe required: None
Minimum surface pipe required: 200 feet per Acre
Approved by: [Signature]
Spud date: 2/5/05
Agent: [Signature]

Mail to: KCC - Conservation Division, 130 S. Market - Room 208H, Wichita, Kansas 67202

KCC WICHITA
JAN 1, 2005

RECEIVED

27 31 17
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 allocation unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage allocation unit for oil wells.

API No. 19
Operator: CMX, Inc.
Lessee: Chapin-Stephenson
Well Number: 1
Field: ILS

Number of Acres attributable to well: 1650
QTR / QTR / QTR of acreage: NW - SE - NW

Location of Well: County: Barber

Sec: 27
Twp: 31
N. R. 11

W Line of Section
E Line of Section
S Line of Section

East [ ] West [ ]

If Section is irregular, locate well from nearest corner boundary.

Section corner used: NE [ ] NW [ ] SE [ ] SW [ ]

PLAT

(Show location of the well and the acres attributable for prorated or spaced wells.)

(Show footage to the nearest lease or unit boundary line.)

RECEIVED
JAN 10 2005
KCC WICHITA

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 deposited plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance to the nearest lease or unit boundary line.
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 allocation plat must be attached: (CG-7 for oil wells; CG-8 for gas wells.)
January 21, 2005

Mr. Douglas H. McGinness II
CMX, Inc.
150 N. Main Ste 1626
Wichita, KS 67202

RE: Drilling Pit Application
Chapin-Stephenson Lease Well No. 1
NW/4 Sec. 27-31S-11W
Barber County, Kansas

Dear Mr. McGinness:

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 no deeper than 4’ and must also be lined with bentonite or native clay. The free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again 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 (620) 225-8833 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,

Kathy Haynes
Environmental Protection and Remediation Department

cc: S Durrant