NOTICE OF INTENT TO DRILL

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

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

February 25, 2005

Spot # 33 860

Operative Date: 2-20-05

Form #: C-1

Request # Y

Extended through: 3/5/05

Contractor: McPherson Drilling, LLC

Operator: Name: Kansas Production EQR, LLC

Address: 5542 North Freeway, Ste 220

City/Zip: Houston, Texas 77090

Phone: 281-875-6200

License # 587S

Type of Equipment:

Well Site:

West Coat:

Directional, Deviated or Horizontal well? Yes

Well Name:

KCC Dkt #:

Was: 15-125-3-0717.00-00

Affidavit

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-35 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 consolidated materials plus a minimum of 30 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 completion, production pipe shall be cemented from a below-water table depth within 120 days of spud date.

Or pursuant to Appx-III "B" - Eastern Kansas surface casing order #133,591-C, which applies to the KCC District 3 area, all 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: 2/2/2005

Signature of Operator or Agent:

Title: Operation Manager

For KCC Use ONLY

API 15-125-3-0707.00-00

Conductor pipe required: 66.42 feet

Minimum surface pipe required: 20 feet per ft. of

Approved by: RSP 2.15.05

This authorization expires: (This authorization will be drilling if not started within 6 months of effective date.)

For KCC Use ONLY

API 15-125-3-0707.00-00

Spud date: 2-20-05

Agent:

Mail to: KCC - Conservation Division, 130 S. Market, Room 207A, Wichita, Kansas 67202

Prepared by:

- File Drill Pt Addendum (form CDP-1) with Intent to Drill;

- File Completion Form Addendum within 120 days of spud date;

- File a production report to the appropriate district office;

- Notify appropriate district office 48 hours prior to workover or re-entry;

- Submit plugging report (DP-4) after plugging is completed;

- Obtain written approval before disposing or injecting well water;

- If this permit has expired (See authorization expiration date) please check the box below and return to the address below.

- Well Not Drilled - Permit Expired

Signature of Operator or Agent:

Date: 2/2/05

Mail to: KCC - Conservation Division, 130 S. Market, Room 207A, Wichita, Kansas 67202