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: February 15, 2005

OPERATOR: Licensed: 5003
Name: McCoy Petroleum Corporation
Address: 8009 E Central, Suite 360
City/State/Zip: Wichita, KS 67206
Contact Person: Scott Hampel
Phone: 316-836-2573

CONTRACTOR: Licensed: 5142
Name: Sterling Drilling Company

Well Drilled For: Gas
Permit Class: Wildcat
Type of Equipment: Well Drilled For: Gas
Type: Mud Rotary

If CWWO: old well information as follows:
Operator: YES
Well Name: Original Completion Date:
Original Total Depth:
Directional, Deviated or Horizontal wellbore? YES / NO
If Yes, true vertical depth:
Bottom Hole Location:
KCC DKT #:

AFFIDAVIT

The undersigned hereby affirm 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 50 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 abandoned casing is cemented in;
6. If an Alternate II COMPLETION, production pipe shall be cemented with a minimum of 30 feet below any usable water to surface within 120 days of spud date.

Or pursuant to Appendix "B" - Eastern Kansas surface casing over P135,851.0, 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 to the best of my knowledge and belief.

Date: 2/24/05
Signature of Operator or Agent: Scott Hampel
Title: Engineering/Production Mgr.

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

Received: FEB 07 2005
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.

ARI No. 15: McCoy Petroleum Corporation
Operator: McCoy Petroleum Corporation
Lessee: G_raw
Well Number: 3-1
Field: Spikey Grabs
Number of Acres attributable to well: [H]
QTR / QTR / QTR of acreage: SW / SW / SW

Location of Well: County: [K]
Location from: Line of Section
Sec: 1
Twp: 30
S. R. 9
E. W.

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 wall and shade attributable acreage for prorated or spaced walls.)
(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 (CD-7 for oil wells; CD-8 for gas wells).
February 11, 2005

Mr. Scott Hampel
McCoy Petroleum Corporation
8080 E. Central Ste 300
Wichita, KS 67206

Re: Drilling Pit Application
Griem Lease Well No. 3-1
SW/4 Sec. 01-30S-09W
Kingman County Kansas

Dear Mr. Hampel:

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 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 within 72 hours 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 (316) 630-4000 when the fluids have been removed. Also, please file the enclosed CDP-5, 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: Doug Louis