KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

February 25, 2005

OPERATOR: Linnemark

Name: McCoy Petroleum Corporation
Address: 8800 E Central, Suite 300
City/State/Zip: Wichita, KS 67206
Contact Person: Scott Haggerty
Phone: 316-638-2737

CONTRACTOR: Licence # 5142

Name: Starting Drilling Company

Well Drilled For: Oil
Wall Class: Mississippian
Type of Equipment: Derr-Mast Rotary
Gas: Yes
Water: Yes
Cable: Yes
OHW: Other
Disposal WELL: Other
Storage: None
Well No.: If OHWO old well information as follows:
Operator: YES
Well Name: Original Completion Date:
Directional, Deviated or Horizontal well:
If YES, True vertical depth:
Bottom Hole Location:
KCC DKT #:

AW

AFDAVIT

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 officer 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 curving 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 officer on plug length and placement is necessary prior to plugging;
5. The appropriate district officer will be notified before well is ready for plug or abandonment;
6. If an ALTERATION to COMPLETION, production pipe shall be cemented from below any usable water to surface within 120 days of spud date. On pursuant to Appendix 9B - Eastern Kansas well casing Order # 133,901-G, which applies to the KCC District 3 area, alternate if cementing must be completed within 30 days of the "end date" the well shall be plugged. In all cases, NOTIFY district officer prior to any cementing.

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

Date: 2/4/05
Signature of Operator or Agent: Scott Haggerty
Title: Engineering/Production Mgr.

Remember to:

- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACD-1 within 120 days of spud date;
- File average attribution plot according to field promotion order;
- 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, file new authorization form and please check the box below and return to the address below;
- Yes / No
- Weil Not Drilled - Permit Expired

Signature of Operator or Agent: Date:

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

FEB 8 2005
RECEIVED

KCC WICHITA
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 prorated acreage distribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage distribution unit for oil wells.

API No. 15: ________________________________
Operator: McCray Petroleum Corporation
Lease: Hodgerson-Twyman
Well Number: 3-3
Field: Spivey-Graves-Basil
Number of Acres attributable to well: ____________________
QTR / QTR / QTR of acreage: ____________________
__________________ NW  ________________ NE

Location of Well: County: Kingman
660 1st from N 1/4 R 36 Sec. 3
680 1st from S 1/4 R 36 Sec. 3

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 holographic to the nearest lease or unit boundary line.)

EXAMPLE

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 distribution plat must be attached (Co. 7 for oil wells; Co. 8 for gas wells).
February 22, 2005

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

Re: Drilling Pit Application
Holgerston-Twyman Lease Well No. 3-3
NE/4 Sec. 33-30S-09W
Kingsman 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 all pits
must be lined with bentonite. 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 39 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,

[Signature]
Kathy Haynes
Environmental Protection and Remediation Department

cc: Doug Louis

Conservation Division, Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802
Phone 316.357.6200 Fax 316.357.6211 www.kcc.state.ks.us