NOTICE OF INTENT TO DRILL

Must be approved by KCC (see 5 days prior to commencing well

For KCC Users
Effective Date: December 30, 2002

Form must be signed
All blanks must be filled

Oper: 4/1
Date: 2/20/05

Kansas Corporation Commission
Oil & Gas Conservation Division

Expected Spud Date: 2/16/05

OPERATOR: Licensee: 30006
Name: Muffel Drilling Company, Inc.
Address: 250 N. Water, Suite 300
City/State: Wichita, KS 67202
Contact Person: David Doyel
Phone: 316-267-3241
CONTRACTOR: Licensee: 5992
Name: Berentz Drilling Company, Inc.

Well Drilled For: Gas Class: Type Equipment: Mud Rotary Avi Rotary Cables
OWO: Storage, Mud Ext.
Sediment: 6 ft. Other

If OWO: old well information as follows:
Operator: Name: Name:
Well Name: 
Original Completion Date: Original Total Depth:
Directional: Deviated or Horizontal wellbore?: Yes No
Bottom Hole Location: KCC DKT #

The undersigned hereby affirms that the drilling, completion and eventual spudding 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 cementing 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 abandoned.
6. If an ALTERNATE 2 COMPLETION, production pipe shall be cemented from below any usable water to surface within 120 days of spud date

Or pursuant to Appendix B - East Kansas surface casing csl310-361-C, which applies to the KCC District 3 area, alternative cements must be completed within 30 years 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: 2/10/05

For KCC Use Only
API: 15-185
23299 00-00
Minimum surface pipe required: 2800 feet per Mi.

Approved by: RSP 215 05
This authorization expires
Spud date: 12/20/05

For Spud dates within 6 months of effective date:

Signature of Operator or Agent:

Notice to:

Mail to: KCC - Conservation Division, 1300 Market - Room 2078, Wichita, Kansas 67202

Mail Received: 1/22/2005

Mail: 2/20/05

KCC WICHITA
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plot 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 same 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 3/4 mile of the boundaries of the proposed acreage attribution unit for oil wells.

API No. 15
Operates: Murch Drilling Company, Inc.
Lease: M. Drach
Well Number: 1-12
Field:
Number of Acres attributable to well:
QTR / QTR / QTR of acreage: S/2, NE, SW

Location of Well: County:
Stafford

NL from
S.12, T.32, R.13
Line of Section
S.12, T.32, R.13
E.
Line of Section

East

Is Section: □ Regular or □ Irregular

If Section is irregular, locate well from nearest corner boundary. Section corner used:
N.E. □ N.W. □ S.E. □ S.W.

(Show location of the well and shade attributable acreage for prorated or spaced wells.) (Show location to the nearest lease or unit boundary line.)

PLAT

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 attribution plat must be attached (CD-7 for oil wells; CD-4 for gas wells).
February 14, 2005

Mr. David Doyel
Murfin Drilling Company, Inc.
250 N. Water St #300
Wichita, KS 67202

RE: Drilling Pit Application
M. Drach Lease Well No. 1-12
SW/4 Sec. 12-22S-13W
Stafford County, Kansas

Dear Mr. Doyel:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed without slope, 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 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) 225-8888 when the fluids have been removed. Also please file the enclosed CDIP 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