**NOTICE OF INTENT TO DRILL**

Must be approved by KCC (3) days prior to commencing well

<table>
<thead>
<tr>
<th>Spud Date</th>
<th>3-15-05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operator</td>
<td>6374</td>
</tr>
<tr>
<td>Address</td>
<td>Box 441</td>
</tr>
<tr>
<td>City/County</td>
<td>Moore-H, KS 66757</td>
</tr>
<tr>
<td>Operator/Owner</td>
<td>G. Bailey or L. Deonna Bailey</td>
</tr>
<tr>
<td>Phone</td>
<td>620-325-2635</td>
</tr>
<tr>
<td>Contractor</td>
<td>984-777</td>
</tr>
</tbody>
</table>
| Drilled For | Oil/ Gas/OWO/Disposal/ W
drilling  | Oil/ Gas/OWO/Disposal/ W |
| Well Class | Other/Other/Other/Other/Other |
| Type Evacuated | Oil/ Gas/Oil/ Gas/Pump |
| Spud Depth | 1800 | 1440 |
| Depth | 100+ | 200 |
| Surface Pipe Size (in.) | 1.5 x 2 | 20 |
| Water | Yes | Yes |
| Mud | Yes | Yes |
| Drilling Tool | rotary / Cable |
| Completion Date | Original Completion Date |
| Original Total Depth | 950 |
| DWH: Depleted or non-trial wells? | No |
| DWH: Depth Vertical | No |
| Bottom Hole Location | N/A |
| KCC Ext. | 9900 | 9900 |

**AFFIDAVIT**

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, et seq.

It is further affirmed 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 upon each drilling rig;
3. The minimum amount of surface pipe as specified below shall be set by crossing cement to the net; 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; and
5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
6. If an alternative is completion, production pipe shall be cemented from below any usable water to surface within 120 days of spud date. In all cases, NOTIFY district office prior to any cementing;

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

Date: 31/3/05

Signature of Operator or Agent

For KCC Use Only

API 16 - 205-2600-0000

Conv. pipe required: None

Min. surface pipe required: 30 feet per A.P. + 0

Approved by:

This authorization expires

(This authorization void if drilling not started within 6 months of effective date.)

Spud date: 3-15-05

Remember to:

- File drilling permit application (form CD-1) with intent to drill;
- File Completion Form CD-1 within 60 days of spud date;
- File Well Completion Report (form CD-2) following completion of well;
- Notify appropriate district office 48 hours prior to re-entry;
- Submit drilling report (CD-4) after plugging is completed;
- Obtain written approval before disposing or injecting salt water;

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 proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for oil wells.

API No. 15:
Operator: Bailey Oil Co., Inc.
Lease: Fee 1
Well Number: Rich 9
Field: Neodesha

Number of Acres attributable to well: 10
QTR / QTR / QTR of acreage: NW SE NE

Location of Well: County: Wilson
1440 feet from S / N (corner or Line of Section)
330 feet from E / W (corner or Line of Section)
Sec 16
Twp 30
R 16
X East

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 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. (CG-7 for oil wells; CG-8 for gas wells.)