NOTICE OF INTENT TO DRILL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSENTATION DIVISION

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

For KCC use:
Effective Date: December 2002
Form must be Typed
All blanks must be filled

Expected Spud Date: March 31, 2005

OPERATOR: Licensed: 5144
Name: Mill Drilling Company, Inc.
Address: P.O. Box 2756
City/State/Zip: Wichita KS 67201-2756
Contact Person: Mark Shreve
Phone: 316-264-8386

CONTRACTOR: Licensed: 5142
Name: Starting Drilling Company

Well Drilled For: Water
Well Class: Type Equipment: Lathe
Gas
Oil
DISC
Tubing

affadavit

The undersigned hereby affirms that the drilling, completions 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 sounding 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 any unconsolidated materials plus a minimum of 20 feet into the underlying formations;
4. If the well is dry hole, an agreement between the operator and the district office on depth 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 II COMPLETION, production pipe shall be cemented from below any usable water to surface within 120 days of spud date.

Or pursuant to Appendix 18-E: Eastern Kansas surface casing order #133,691-C, which applies to the KCC District 1 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged in accordance with current notify district office prior to any cementing.

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

Date: 3/16/05
Signature of Operator or Agent:

Remember to:
1. For Oil P.N. Application form C-10 with Intent to Drill;
2. File completion Form ACO-1 within 120 days of spud date;
3. File aerial monumentation provided according to field monument orders;
4. Notify appropriate district office 48 hours prior to minor or re-entry;
5. Submit plugging report (CP-4) after plugging is completed;
6. Obtain written approval before disposing or injecting salt water;
7. If this permit has expired (See authorized expiration date please check the box below and return to the address below)

We Well Drilled - Permit Expiring
Signature of Operator or Agent:
Date:

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202
**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 all wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for oil wells.

<table>
<thead>
<tr>
<th>API No. 15</th>
<th>Operator: Hull Drilling Company, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lease:</td>
<td>Hudson-Kelly</td>
</tr>
<tr>
<td>Field:</td>
<td>Wildcat</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Number of Acres attributable to well</th>
<th>40</th>
</tr>
</thead>
<tbody>
<tr>
<td>QTR / QTR / QTR of acreage</td>
<td>NE</td>
</tr>
</tbody>
</table>

**Location of Well**

<table>
<thead>
<tr>
<th>County: Barton</th>
<th>Line of Section</th>
<th>Line of Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>840 feet from</td>
<td>108 feet from</td>
<td>Sec 35 Two 20</td>
</tr>
<tr>
<td>S N / E</td>
<td>S R / E</td>
<td>S R / E</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Is Section:</th>
<th>Regular or</th>
<th>Irregular</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

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 identifiable acreage for prorated or spaced wells.)

([Diagram of plat with 552’ to west boundary line and notes for NE 35/NW 36])

**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).
March 18, 2005

Mr. Mark Shreve
Mull Drilling Company, Inc.
PO Box 2758
Wichita, KS 67201-2758

RE: Drilling Pit Application
Haddon-Kelly Lease Well No. 1-35
NE/4 Sec. 35-20S-13W
Barton County, Kansas

Dear Mr. Shreve:

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 as soon as practical after drilling operations have ceased. Please keep all pits away from any draws.

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 (785) 625-0550 when the fluids have been removed. Also please file the enclosed CDP-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: H Deines