NOTICE OF INTENT TO DRILL

Must be approved by KCC 45 days prior to commencing well.

Expected Spud Date: March 29, 2005

OPERATOR: Licensed: 32746
Name: CLAYTON PETROLEUM CORPORATION
Address: 2501 NE Expressway, Suite 310
City/State/Zip: Oklahoma City, OK 73112-7721
Contact Person: Ricky L. Frederick
Phone: 405/948-5019, ext. 221

CONTRACTOR: Licensee: 9290
Name: DUKE DRILLING CO, INC.

Well Drilled For: Oil
Well Class: Oil
Type Equipment: OD Rotary

If OWNED, all of the following is information as follows:
Operator: Duke Drilling Co, Inc.
Well Name: Own
Original Completion Date: N/A
Original Total Depth: N/A
Directional, Deviation or Horizontal well?: N/A
Yes / No
If so, true vertical depth: N/A
Bottom Hole Location: N/A
KCC # & Date: 2579

AFFIDAVIT

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 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 shall be as specified below with a test by circulating cement to the top; and, in all cases, surface pipe shall be run 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 notify values well is either plugged or production string is cemented in;
6. If an ALTERNATE II CONSTRUCTION, production pipe shall be cemented to bottom of any usable water to surface within 120 days of spud date.

Permit issued to Duke Drilling Co, INC. under permit number 1723,891-C, which applies to the KCC District 3 area, and is required to be completed within 30 days of the spud date or the well shall be plugged. In all cases, NOTIFY your 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: March 24, 2005
Signature of Operator or Agent: R.L. Duke

For KCC Use ONLY
API # 15, 15-07-2289,000000
Conductor pipe required: Above
Minimum surface pipe required: 2000

Approved by:

This authorization expires: 9-29-05
(The authorization runs if drilling not started within 30 days of effective date.)

Sood date: 2005

File Drill Plan Application (form COP-1) with intent to Drill:
File Completion Form ACD-1 within 120 days of spud date.
File slip sheet application on first production order.
Notify appropriate district office 48 hours prior to waterflood or re-entry.
Submit plugging report (CDR-4) after plugging is completed.
Offer within approval before disposing of injection well water.
If the permit has expired (See authorized expiration date), please check the box below and return to the address below.

Well Not Drilled - Permit Expired
Signature of Operator or Agent:

Main 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 a 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.

<table>
<thead>
<tr>
<th>API No. 15</th>
<th>007228760000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operator</td>
<td></td>
</tr>
<tr>
<td>Lease</td>
<td></td>
</tr>
<tr>
<td>Well Number</td>
<td></td>
</tr>
<tr>
<td>Field</td>
<td></td>
</tr>
<tr>
<td>Number of Acres attributable to well:</td>
<td></td>
</tr>
<tr>
<td>GTR / QTR / QTR of acreage:</td>
<td></td>
</tr>
</tbody>
</table>

Location of Well: County:

<table>
<thead>
<tr>
<th>feet from N / S Line of Section</th>
<th>feet from E / W Line of Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sec.</td>
<td>Top</td>
</tr>
</tbody>
</table>

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.

Barber County

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 24, 2005

Mr. Rickey L. Frederick
Cleary Petroleum Corporation
2601 NW Expressway Ste 801W
Oklahoma City, OK 73112-7221

RE: Drilling Permit Application
    Miller Lease Well No. 1-28R
    SE1/4 Sec. 28-34S-15W
    Barber county, Kansas

Dear Mr. Frederick:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed without sills, 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 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,

[Signature]

Kathy Maynes
Environmental Protection and Remediation Department

cc: S Durrant.