KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL
Must be approved by KCC 30 days prior to commencing well

Date: 3-12-05

Expected Spud Date: 3-30-05

OPERATION:
Name: Prospects Oil & Gas, Inc.
Address: P.O. Box 837
City/State/Zip: Russell, Kansas 67655
Contact Person: Brad Hutchinson
Phone: 785-483-6266

CONTRACTOR:
Lic# 9431
Name: Vonfeldt Drilling, Inc.

WELL DETAILS:

Well Drilled For: Gas
Completion Method: Prod. Ext.
Well Suitability Evaluation: No
WELL QUALITY:
Type Equipment: None
Gross acres: 295
Heritage: No
Decommission: No
Seismic: 0
Other: None

If ONSIDO or well information is not accurate, please check:

Excessive, Deviated or Horizontal, wellbore?
Yes [X] No

If you are drilling on a productive lease, please check:

Bottom Hole Location:

KOC Dkt #:

APFDAVIT

This undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-40 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 circulating 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 a 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 production casing is cemented;
6. If an ALTERNATE II COMPLETION, produmpath pipe shall be cemented from below any unstable water to surface within 120 days of spud out.

It is required to submit an "A" Eastern Kansas surface boring order #133,891-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of spud out or the well shall be plugged. at all times, NOTIFY district office prior to any operating.

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

Date: 3/11/05
Signature of Operator or Agent: [Signature]
Title: [Title]

Mail to: KCC - Conservation Division, 130 S. Market - Room 226, Wichita, Kansas 67202

Photo ID Pay Application (form CDP-1) with permit to Drill;
File Completion Form ACC-1 within 15 days of spud date;
File surface construction plan according to KCC inspection orders;
Notify appropriate district office up to 15 days prior to workover or notification;
Submit plugging report (CP-5) after plugging is completed;
Obtain written approval before disposing or injecting salt water;
If this permit has expired (file authorized expiration date) please check this box before return to address below;

Well Not Drilled - Permit Expired

Signature of operator or Agent:

Date: [Date]
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Flat 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 the wells and/or 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.: 167-23287-0000
Operator: Prospect Oil & Gas, Inc.
Lease: SE-6
Well Number: 1
Field: Gachan
Number of Acres attributable to well: QTR / QTR / QTR of acreage:

Lotlines of Well: County: Russell
1140 feet from X \N / S Line of Section
320 feet from X \E / X W Line of Section
Sec. 32 - Tp. 14 - R. 15 - E same \N / W
is Section: \R Regular or \R Irregular

If Section is irregular, locate well from nearest corner boundary, Section corner used: \NE \NW \SE \SW

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 suggested plat by identifying section lines, i.e. 1 section, 1 township with 8 surrounding sections.
2. The distance of the proposed well location from the section's north and east.
3. The distance to the nearest lease or unit boundary line.
4. Any proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached (CO-7 for oil wells, CO-8 for gas wells).