KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL

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

Expected Spud Date: April 13, 2005

OPERATOR: Licensee 6936
Name: MTM Petroleum, Inc.
Address: PO Box 82
City/County: Skyesville 67142
Contact Person: Marvin A. Miller
Phone: 209-322-3794

CONTRACTOR: Licensee 5529
Name: Duke Drilling Co., Inc.
Address: 2019 W. Joplin St.
City/County: Skyesville 67142
Contact Person: Marvin A. Miller
Phone: 209-322-3794

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For KCC Use Only
APR 8 15
Spud date: 077-21510-00-00
Conduction pipe required: NONE
Minimum surface clearance: 290 feet
Approved by: (Signature)

This authorization expires:
(To be effective until drilling is stopped within 6 months of effective date.)

For KCC Use Only
APR 8 15
Spud date: 077-21510-00-00
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Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

Statement of Affidavit

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 50-50-40. 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 consolidated 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 skimmer and placement is necessary prior to plugging.
5. The appropriate district office will be notified before the well is either plugged or production casing is cemented in.
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any viable water to surface within 120 days of spud date.

CV Pursuant to Appendix B - Eastern Kansas surface casing order #139,897-C, which applies to the KCC District 3 area, shall cement if cementing must be completed within 30 days of the first date of the well shall be plugged.

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

Marvin A. Miller, Pres.
Date: 4/11/05

Remember to:
- File D-5 Application (form D-5) with Intent to Drill;
- File Completion Form ACC-1 within 120 days of spud date;
- File conveyance application and bond according to field preformation order;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed;
- Obtain written approval before disposing of or returning salt water.

If this permit is extended (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:

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 sheet 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 relation 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: MTM Petroleum, Inc.
Lease: Mcintire
Well Number: 1
Field: Sawyer-Grabs-Basil

Location of Well: County: Harper
Latitude: 1540
Last from: W / S Line of Section
Latitude: 2310
Sec: 1
Twp: 31
Range: 8

Is Section: Regular [ ] Irregular [ ]

If Section is Irregular, locate well from nearest corner boundary. Section corner used: NE [ ] NW [ ] SE [ ] SW [ ]

Number of Acres attributable to well: 144
Quadrant / Quarter / Quarter of acreage: SE

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.)

RECEIVED
APR 12 2005
KCC WICHITA

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 certain 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 lessee’s certificate of acreage attribution plat, it must be attached. (GS-7 for oil wells; GS-8 for gas wells.)
April 11, 2005

Mr. Marvin A. Miller
MTM Petroleum, Inc.
PO Box 82
Spivey, KS 67142

Re: Drilling Pit Application
McIntire Lease Well No. 1
SE/4 Sec. 01-31S-08W
Harper County, Kansas

Dear Mr. Miller:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed without slats, 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 within 72 hours 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 (316) 670-4000 when the fluids have been removed. Also, please file the enclosed CDP-5, 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: Doug Louis