KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

Date: June 10, 2005

OPERATOR: Licensee 31885
Name: N & M Exploration, Inc.
Address: 60 Garden Court, Suite 112
City/State/Zip: Brownfield, CO 80802
Phone: 303-436-1991

CONTRACTOR: Licensee 5929
Name: Duke Drilling Co., Inc.

Well Dated For: West Class: Type Equipment:
[Box] Oil [Box] Enc. Rec. [Box] Mud Rotary
[Box] Gas [Box] Production [Box] Air Rotary
[Box] W.O. Disposal [Box] Sludge [Box] Other:
[Box] Other:

If OWNED, old well information as follows:
Operator:
Well Name:
Original Completion Date:
Original Total Depth:
Directional, Deviated or Horizontal well?
If Yes, True Vertical Depth:
Bottom Hole Location:
KCC DKT #:

July 2005

250-860

AFFIDAVIT

The undersigned hereby advises 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 as specified below shall be used in boring cement to be placed in all casing and production pipe shall be the subject to the jurisdiction of the Kansas Corporation Commission.
4. If the well is in dry hole, an agreement between the operator and the district office on plug length and placement is necessary prior to plugging.
5. The applicability of the Kansas Corporation Commission is effective from the date of the well shall be plugged and the well shall be plugged.
6. If it is COMPLETION, production pipe shall be cemented in below any usable water surface for 120 days after spud date.

Date: May 12, 2005

Signature of Operator or Agent: __________________________

President:

For KCW Use ONLY

Spud state: STOP

Minimum surf. pipe required: 5000

Approved 06/01/05

This affidavit expires 11-17-05

Mail to: KCC - Conservancy Division, 130 S. Martin - 860-2788, Wichita, Kansas 67202
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

API No. 15
Operator: M & M Exploration, Inc.
Lease: Z Bar
Well Number: 10-13
Field:
Number of Acres attributable to well:
GTR / QTR / QTR of acreage:

Location of Well: County: Barber
1400 feet from N / S Line of Section
1000 feet from E / W Line of Section
Sec. 10 Tap. 34 S R 15
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 distribution plat must be attached: (CG-7 for oil wells; CG-8 for gas wells).
May 17, 2005

Mr. Mike Austin
M & M Exploration, Inc.
60 Garden Center Ste 102
Broomfield, CO 80020

RE: Drilling Pit Application
Z Bar Lease Well No. 10-13
SW/4 Sec. 19-34S-15W
Barber County, Kansas

Dear Mr. Austin:

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 lined with bentonite or native clay. 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,

Kathy Haynes
Environmental Protection and Remediation Department

cc: S Durrant