State of Kansas
NOTICE OF INTENTION TO DRILL
Must be approved by the K.C.C. five (5) days prior to commencing well.

Expected Spud Date: June 16th, 1999

OPERATOR: License #: 5352.
Name: BAIRD OIL COMPANY, INC.
Address: P.O. Box 429, Logan, Kansas 67646-0428
Contact Person: Jim R. Baird
Phone: (785) 689-7456

CONTRACTOR: License #: 31548
Name: Discovery Drilling Co., Inc.

Well Drilled For: X Oil
Well Class: X Infield
Type Equipment:
X Mud Rotary
Gas Storage
... Wildcat
... Cable

If (X) old well information as follows:
Operator:
Well Name:
Comp. Date:
Old Total Depth:

Directional, Deviated or Horizontal wellbore? Yes / No
If yes, true vertical depth:

Bottom Hole Location:

Affidavit
The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, 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 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 alternative district office is used, the pipe shall be cemented from below any usable water to surface within 120 days of spudding. In all cases, notify 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: June 2, 1999
Signature of Operator or Agent: [Signature]
Title: [Title]

FOR KCC USE:
API # 15- Feet 22,793,000
Conductor pipe required: None
Minimum surface pipe required: 2,200 feet per Alt. X

This authorization expires: 12-3-99
This authorization valid if drilling not started within 6 months of effective date.

REMEMBER TO:
- File Drill Plt Application (form CD-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spudding;
- File acreage attribution plot according to field proration orders;
- 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 injecting salt water.

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 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 BAIROD OIL COMPANY, INC.
LEASE White
WELL NUMBER 3
FIELD Hoosier Discovery

LOCATION OF WELL: COUNTY Graham
3630' feet from south/NNN line of section
4950' feet from east/EEE line of section
SECTION 23 TWP 6S RGE 24W

NUMBER OF ACRES ATTRIBUTABLE TO WELL ______
QTR/QTR/QTR OF ACREAGE ______

IS SECTION X REGULAR or IRREGULAR
IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST CORNER BOUNDARY.
Section corner used: NE NW SE SW

(Show location of the well and shade attributable acreage for prorated or spaced wells.)
(Show footage to the nearest lease or unit boundary line.)

Graham Co.

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; and
3) the distance to the nearest lease or unit boundary line.