NOTICE OF INTENT TO DRILL

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

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Expected Spud Date: June 20, 2005

OPERATOR: Licensee: M & M Exploration, Inc.
Name: Address: 68 Cantrell Center, Suite 102 City/State/Zip: Chino/CA 91710 Contact: Mike Austin Contact: 303-438-3919
Ph#:
CONTRACTOR: Licensee: Duke Drilling Co., Inc.
Name: 5929

Well Drilled For:
Oil
Gas
E & R
Disposal

Well Class:
Frac. Air
Mud Rotary

Type Equipment:

\( \text{Horse Power} \) 34,000

\( \text{Drilling Depth} \) 9,000

\( \text{Spud Date} \) 5/22/05

\( \text{Directional} \): No

\( \text{Horizontal} \): No

\( \text{Bottom Hole Location} \): KCC DRT. #

FCC Use ONLY

AP # 15:

\( \text{Minimum Surface Permitted} \): 900

\( \text{Maximum Surface Permitted} \): 0

\( \text{Approved By} \): KCC

\( \text{Spud Date} \): 5/22/05

\( \text{Min.} \) 1/2

\( \text{Max.} \) 1/4

\( \text{Depth} \): 9,000

\( \text{Length of Surface Pipe} \): 900

AFDOAVIT

The undersigned hereby affirms that the drilling, completion and eventual pluging 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 maximum amount of surface pipe as specified below shall be left by circulating cement to the top; in all cases surface pipe shall not exceed the maximum permitted by the Kansas Corporation Commission:

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 plug or production casing is cemented in:

6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water surface within 120 days of spud date.

The statements made herein are true and to the best of my knowledge and belief.

Date: May 12, 2005

Signature of Operator or Agent:

President

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

Remember to:

- File Drill Observation Form (CDP-1) within 10 days of spud date.
- Submit Completion Form AC-1 within 10 days of completion date.
- Notify appropriate district office 48 hours prior to production or re-entry.
- Submit plugging report (CP-4) after plugging is completed.
- Obtain written approval before disposing or injecting salt water.
- If this permit has expired (See authorized supplement dated please check the box below and return to the card above below.

- Well Failed Drilled - Permit Expired

Signature of Operator or Agent:

Date:
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. Plot on 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: M & M Exploration, Inc.
Lease: Davis Ranch
Well Number: B-1
Field:
Number of Acres attributable to well:
QTR / QTR / QTR of acreage: C NW SE

Location of Well: County: Further

1980
feet from N / S Line of Section
1980
feet from E / W Line of Section
Sec: 15
Twp: 34
R: 15
1 East 1 West
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 acreage 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 2 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 (OG-7 for oil wells; CO-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
Davis Ranch Lease Well No. B-1
SE/4 Sec. 15-34S-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 the free fluids must be removed. The fluids are to be removed from the reserve pit 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 Haynes
Environmental Protection and Remediation Department

cc: S Durrant