NOTICE OF INTENT TO DRILL

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

KANSAS CORPORATION COMMISSION
Oil & Gas Conservation Division

For KCC Use:

Effective Date: 5-23-05

SGA? Yes No

 Expected Spud Date: May 29, 2005

OPERATOR: Licensed Name: Rusten Oil, Inc.
Address: PO Box 1469 
City/State/Zip:
Contact Person: Jeffry Holt II
Phone: 626-602-7700

CONTRACTOR: Licensee: Southwind Drilling, Inc.

Well Drilled For:

Well Class: Integral 
Type Equipment: Mud Rotary

If DWOID: old well information as follows:

Owner: 
Well Name:
Original Completion Date:
Original Total Depth:
Directional, Deviated or Horizontal Yes No
If Yes, true vertical depth:
Bottom Hole Location:

KCC Dkt #:

CONSTRUCTION DIVISION

REFERENCES

AN That the drilling, completion and expirat 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 in 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 in;
6. If an alternate completion, production pipe shall be cemented at least 200 feet above the highest water to surface within 120 days of spud date.

Or pursuant to Appendix B - Eastern Kansas surface casing order 1358,281-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. 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: May 17, 2005

Signature of Operator or Agent: 

Title: President

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

Remember to:

• Fill Drill Pt Application (Form COP-1) with index to Drill;
• Fill Completion Form ACD-1 within 120 days of spud date;
• File average attribution plot according to field production orders;
• Notify appropriate district office all hours prior to workover or re-entry;
• Submit plugging report (CDR) after plugging is completed;
• Obtain written approval before disposing or injecting salt water;
• If the permit has expired (re-authorization expiration date) please check the box below and return to the address below.

(Do Not Drill) Permit Expired
Signature of Operator or Agent:

APR # 15 - 0652.2304.0400
Conductor pipe required: None
Minimum surface pipe required: 200 feet per Alt. ft

This authorization expires: 11-8-05

(This authorization will be null starting within 6 months of effective date.)

Spud date: Agent:

24-18-05

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

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. Please show all the wells and within 1 mile of the boundaries of the proposed acreage attribution unit for oil wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for gas wells.

API No. 15
Operator: Russell Oil, Inc.
Lease: [Name]
Well Number: 1-24
Field: Hill City (revival)
Number of Acres attributable to well: 
QTR / QTR / QTR of acreage: 

Location of Well: County: Graham
1980
feet from 
Line of Section
Sec. 24
Line of Section

In 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 map by identifying section lines, i.e. 1 section, 1 section 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 attribution plat must be attached (CG-7 for oil wells; CG-8 for gas wells).