NOTICE OF INTENT TO DRILL

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

Date: 7/10/2005

Expected Spud Date: 5/31/05

Operator: Commissioner
Name: DMK, Inc.
Address: 1551 N. Waterloo Parkway, Suite 150
City/State/Zip: Lawrence, KS 66049
Contact Person: Douglas H. McGinness II
Phone: 316-269-0052

Contractor: Southwest Drilling
Name: 33530

Well: Southwell Drilling
Well No.: 3661-13
Original Completion Date: 4/16/96
Original Total Depth: 4825

Well Name: Mckinney #1-13
Completion Date: 4/16/96
Original Total Depth: 4825

Directional, Deviated or Horizontal wellbore? No
Yes

If Yes, true vertical depth:

Bottom Hole Location:

KCC DKT: 

AFIDAVIT

The undersigned hereby affirms 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 shall be set by cementing 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 holes, 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 II COMPLETION, production pipe shall be cemented from below any usable water to surface within 120 days of spud date.

Or pursuant to Appendix "B" - Eastern Kansas surface casing state No.443,241,C, which applies to the KCC District Area, Alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged.

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

Signature of Operator or Agent:

Date: 5/24/05

KANSAS CORPORATION COMMISSION
Oil & Gas Conservation Division

Mail to: KCC - Conservation Division, 130 S. Market - Room 207B, Wichita, Kansas 67202

For KCC Use ONLY
API R 15 - 007, 22563-00, 01
Minimum surface pipe required: 315
Approved by: RJS: 7-6-05

This authorization expires: 11-26-05
(The authorization will be denied if not acted within 6 months of effective date.)

Spud date: 5/31/05

Agent:

Mail to: KCC - Conservation Division, 130 S. Market - Room 207B, Wichita, Kansas 67202

Remember to:

File Drill Permit Application (form CD-P) with Intact to Drill;
File Completion Form ACD-1 within 120 days of spud date;
File acreage distribution atlas according to filing provision orders;
Notify appropriate district office 48 hours prior to rework or re-entry;
Submit plugging record (CD-P) after plugging is completed;
Observe written approval before disposing or injecting salt water.

If this permit has expired (see authorized expiration date) please check the box below and return to the address below:

Mail to: KCC - Conservation Division, 130 S. Market - Room 207B, 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 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: CMX, Inc.
Lease: House Unit
Well Number: 1
Field: Kumberg SE (New Pool Development)
Number of Acres attributable to well: ________________________________
QTR / QTR of QTR of acreage: ________________________________

Location of Well: County: Barber

4100 feet from N / S Line of Section
3105 feet from E / W Line of Section
Sec. 13 Twp. 30 R. 12
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 attribution plat must be attached. (CG-7 for oil wells; CG-8 for gas wells).
May 26, 2005

Mr. Douglas H. McGinnes II
CMX, Inc.
1551 N. Waterfront Parkway Ste 150
Wichita, KS 67206

RE: Drilling Pit Application
House Unit Lease Well No. 3
NW4 Sec. 13-30S-12W
Barber County, Kansas

Dear Mr. McGinnes:

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,

Kathy Haynes
Environmental Protection and Remediation Department

cc: S Durrant