KANSAS CORPORATION COMMISSION
Oil & Gas Conservation Division
NOTICE OF INTENT TO DRILL

Expected Spud Date: June 17, 2006

OPERATOR:
Name: Patterson Petroleum, Inc.
Address: 4904 SE 84th St.
City/State/Zip: Newton, Kansas 67114-8827
Contact Person: Klee R. Watchous
Phone: (316) 792-1000
CONTRACTOR: License # 5123
Name: Pridwell Drilling Company, Inc.

Well Drilled For: Gas/Enr Rec: Yes
Type of Equipment: Mud Rotary
Well Class: Gas Storage: Yes
OWD: Yes
GOF: No

If OWDWO: old well information as follows:
Operator:
Well Name:
Original Completion Date:
Original Total Depth:
Directional, Deviated or Horizontal well:
Yes
Yes

If Yes, true vertical depth:

Bottom Hole Location:
KCC DKT #:

spot 20' & 5' & 160' of C, S, E, & W Line of Section

County: Ness
Lease Name: Stoltz
Field Name: McDonald NE
Target Formation(s): Mississipian
Nearest Lease or unit boundary:

Ground Surface Elev: 3209
Water well within one-quarter mile:

Public water supply well within one mile:

Depth to bottom of fresh water:

Surface Pipe by Alternate:

Length of Surface Pipe Planned to be set:

Projected Total Depth:

Formation at Total Depth:

Water source for Drilling Operations:

Owning Parent:

Will Core be taken:

If Yes, proposed zone:

AFFIDAVIT

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 maximum 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 uncemented 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 II COMPLETION, production pipe shall be cemented from bottom any usable water to surface within 120 days of spud date.

Or pursuant to Appendix "B" - Eastern Kansas surface casing order #10,891-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 is correct.

Date: June 6, 2006
Signature of Operator or Agent:

KCC - Conversation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

Mail to:

For KCC Use Only
API #: 135-24362-00-00
Conductive pipe required: N/A
Minimum surface pipe required: 200 feet per Acre
Approved by:

This authorization expires: 12-7-05

This authorization void if drilling not started within 6 months of effective date.
Spud date:

Agent:

RECEIVED
JUN - 7, 2005

KCC WICHITA

Form must be Typed
All blanks must be Filled

FORM C-1
December 2003

For KCC Use Only

Form must be Typed
All blanks must be Filled
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW
Preliminary 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 attributable unit for oil wells and within 1/2 mile of the boundaries of the proposed acreage attributable unit for gas wells.

API No. 15
Operator: Palomino Petroleum, Inc.
Lease: Shoot
Well Number: 1
Field: McDonald NE

Number of Acres attributable to well: _______

QTR / QTR / QTR of acreage: ________ N / ________ E

Location of Well: County: Ness

640 feet from S Line of Sect.
1180 feet from E Line of Sect.
Sec. 24

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 the 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.

NESS 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.
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 attributable plat must be attached: (CG-7 for oil wells; CG-8 for gas wells).