KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL
Must be approved by KCC five (5) days prior to commencing well

For KCC Use ONLY
API #15 - 159.22468.000000
Conductor pipe required: N/A 0 feet
Minimum surface pipe required: 210 feet per At C
Approved by: 439.71309
This authorization expires: 1/2006

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Expected Spud Date: 7 month 1 year 2005

OPERATOR: Licensee: 30680
Name: R.C. Oil Company, Inc.
Address: PO. Box 240, Garden City, KS 67449
Contact Person: Phone: 785-507-5066

CONTRACTOR: Licenses: 994
Name: Vertica Drilling Inc.

Well Class:
- Oil
- Gas
- Storage
- Pool Ext.
- Oil/Roy
- Gas/Disposal
- Pool Ext.
- Oil/Roy
- Other

Well Location:
- In Section X, Regular
- In Section X, Irregular

County: Rice
Lease Name: Home
W# 1

Note: License wet on the Section Plan on reverse side

Target Information:
- Chalk - Silica
- Arbuckle

Well Length: 650' (Note: if a proposed / spaced efforts)

Surface Pipe by Alternative: 1 2

Time Equipment:
- Oil
- Gas
- Storage
- Pool Ext.
- Oil/Roy
- Gas/Disposal
- Pool Ext.
- Oil/Roy
- Other

If OGW: old well information as follows:
- Operator
- Well Name
- Original Completion Date:
- Original Total Depth:
- Directional, Deviated or Horizontal well?
- Yes [x] No
- Bottom Hole Location:
- KCC #:

AFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.

1. Notice the appropriate district office prior to spudding of well.
2. A copy of the approved notice of intent to drill shall be posted at each drilling site.
3. The minimum amount of surface pipe as specified below shall be set by constricting 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 the pipe length and placement is necessary prior to drilling;
5. The appropriate district office will be notified before the well is either plugged or production casing is cemented in;
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any underground water to surface within 120 days of spudding.

On pursuit to Appendix B - Eastern Kansas surface casing order #139.861-C, which applies to the KCC District 3 area, alternate II reworking must be completed within 30 days of the spudd date or the well shall be plugged. In all cases, NOTIFY district office prior to any cementing.

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

Date: 1/11/2005

Signature of Operator or Agent: Andrew A. McGowan

Date: 1/17/2005

Signature of Operator or Agent: Andrew A. McGowan

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 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: R.J.M. Oil Company, Inc.
Lease: Adair
Well Number: 1
Field: Chase - Silica

Number of Acres attributable to well
QTR / QTR / QTR of acreage: SW SE NW

Location of Well: County: Pilot
Tow N / W Line of Section
3755 feet from
Sec: 6
Twp: 20
S. R. 9

Is Section: Regular or Irregular
If Section is Irregular, locate well from nearest corner boundary.
Section corner used: NE NW SE SW

NOTE: In all cases locate the spot of the proposed drilling location.

3'300' FSL

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

EXAMPLE

SEWARD 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 attribution plat must be attached: (CO-7 for oil wells; CO-8 for gas wells).
July 13, 2005

Mr. Chris Hoffman
R.J.M Oil Company, Inc.
PO Box 256
Clifton, KS 67525

Re: Drilling Pit Application
Heine Lease Well No. 1
NW4 Sec. 06-200-09W
Rice County, Kansas

Dear Mr. Hoffman:

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 the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again within 72 hours 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 (316) 630-4000 when the fluids have been removed. Please file form CDP-5, Exploration and Production Waster Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site: www.kcc.state.ks.us/conservationforms.

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: Doug Louis