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
Effective Date: 10.13.04
District #:
SGA?: [ ] Yes [ ] No

Expected Spud Date: October 16, 2004

OPERATOR: License#: 32819
Name: Baird Oil Company, LLC
Address: PO Box 428
City/State/Zip: Logan, KS 67646
Contact Person: Jim R. Baird
Phone: 785-689-7456

CONTRACTOR: License#: 30606
Name: Murfin Drilling Company

Spot
60° N - 200° W - C S/2
Sec. 30
Twp. 7
S. R. 20
East

1380 feet from N / S
Line of Section

2440 feet from E / W
Line of Section

Is SECTION Regular [ ] Irregular [ ]

(Note: Locate well on the Section Plat on reverse side)

County: Rooks
Lease Name: D. P. Jones
Well #: 1-30
Field Name: Wildcat
Is this a Prorated / Spaced Field? [ ] Yes [ ] No
Target Formation(s): Lansing/Kansas City

Nearest Lease or unit boundary: 1390'

Ground Surface Elevation: 2047 est
feet MSL

Water well within one-quarter mile:

Public water supply well within one mile:

Depth to bottom of fresh water:

Surface Pipe by Alternate: [ ] 1 [ ] 2

Length of Surface Pipe Planned to be set: 200'

Length of Conductor Pipe required: none

Projected Total Depth: 3550

Formation at Total Depth: Arbuckle

Water Source for Drilling Operations:

[ ] Well [ ] Farm Pond [ ] Other

DWR Permit #:

(Note: Apply for Permit with DWR [ ])

Will Cores be taken? [ ] Yes [ ] No

If Yes, proposed zone:

UNIT INFORMATION RECEIVED

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 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 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 order #133,891-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.

Date: 10/11/04
Signature of Operator or Agent: [ ]
Title: President

Remember to:
- Submit Complete Application form CDP-1 with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover 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 expiration date) please check the box below and return to the address below.

[ ] Well Not Drilled - Permit Expired
Signature of Operator or Agent: [ ]
Date: [ ]

Mall to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202
OIL AND GAS LEASE

AGREEMENT, Made and entered into the 15th day of August 2002
by and between Dwight Paul Jones Family Trust, Cecile M. Jones, Trustee,
and Baird Oil Company LLC.

PO Box 428, Logan, Kansas 67654.
hereinafter called Lessee:

Lease, in consideration of the sum of $10.00, to be paid in cash on the execution hereof, and the assumption of all obligations as to the premises aforesaid, the lessor hereby warrants and agree to do the following:

1. To deliver to the credit of Lessee, free of cost, a title in fee to all the land described in the premises aforesaid, in fee
2. To pay the lessor the sum of $10.00, to be paid in cash on the execution hereof, and the assumption of all obligations as to the premises aforesaid, in fee

The East Half of the Southeast Quarter (E/2 SW/4) and
The West Half of the Southeast Quarter (W/2 SE/4) all

The Premises described as follows:

The East Half of the Southeast Quarter (E/2 SW/4) and
The West Half of the Southeast Quarter (W/2 SE/4) all

IN WITNESS WHEREOF, the undersigned execute this instrument as of the date and year first above written.

Witness:

Cecile M. Jones, Trustee of
The Dwight Paul Jones Family Trust

X

OCT 8 2004 12:57 PM
FROM BIRD OIL COMPANY 1-785-669-7457 TEL 13163376211 P.1

BY 0322PG090

FORM 88 - (PRODUCER'S SPECIAL) (PAID-UP)
631 (Rev. 1993)