NOTICE OF INTENT TO DRILL

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

KANSAS CORPORATION COMMISSION
Oil & Gas Conservation Division

Aug 8, 2005

Expect Date: August 1, 2005

OPERATOR: Licensee: 35157
Name: Kansas Production, EOR, LLC
Address: 15625 N. Freeway, Suite 230
City/State/Zip: Houston, TX 77090
Contact Person: Jeff Stevenson
Phone: 281-875-6200

CONTRACTOR: Licensee: 5831
Name: Mike McCullough

Well Details:
Well Class: Production Open 
Well Type: Mud Rotary
Drill Method: Air Rotary

_projected depth: 2500 ft. MSL

FO MW: old well information as follows:
Operator: 
Well Name: 
Original Completion Date: coulter Total Depth:
Directional, Deviated or horizontal wellbore?:
If Yes, true vertical depth:
Bottom Hole Location:

KCC DKT #:

Spot DE. NE. NW SW.
25. 16. 

0000' 1006' 2240'
feet from 
N. 
S. Line of Section 
E. 
W. Line of Section

IN SECTION 
Regular
Irregular

(Not Located on the Section Plat on reverse side)

County: Montgomery
Lease Name: 
Field Name: 
Is this a Proposed / repaired Field?
Target Formation(s):
Reese

Depth to bottom of stable water: 100'

Surface Pipe to Be Attenuate: 3000 ft
Length of Surface Pipe Planned to be set: 3000 ft
Length of Conductor Pipe required: None
Projected Total Depth: 
Formation at Total Depth: Mississippian

Water Source for Drilling Operation:
Well: Farm Pond
Other City

DWR Permit #: (note: Apply for Permit with DWR)

Will Come be Tapped?
If Yes, proposed well:

RECEIVED
KANSAS CORPORATION COMMISSION

JUL 2 0 2005

CONSERVATION DIVISION
WICHITA

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 piping as specified below shall be set by or casing cement to the top in all cases surface pipe shall be set through unconsolidated materials 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 when the well is either plugged or produced, at which time cementing is.
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 #103,861-C, which applies to the KCC district (2a), alternate ii cementing must be completed within 30 days of the landing depth of the water pit 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: 7-19-05
Signature of Operator or Agent: 
Title: Operations Manager

Remember to:
- File Oil or Gas application (form CDP-1) with intent to drill.
- Submit CDP application (form CDP-1) within 120 days of spud date.
- For acreage allocation application, including field production orders.
- Notify appropriate district office 48 hours prior to workover or reentry.
- Submit plugging report (form P-4) after pluging is completed.
- Obtain written approval before disposing of or using oil water.
- If this permit has expired (or authorized expiration time), please check the box below and return to the address below.

Mail to: KCC - Conservation Division, 130 S. Narket - Room 2078, Wichita, Kansas 67202

Yes 
No

Well Drilled - Permit Expired

Signature of Operator or Agent: Date:

For KCC Use ONLY
API # 125 
30797-0000

Conductor pipe required: None
Minimum surface pipe required: 20 feet per All. 
Approved by:

This authorization expires:
(Expires 30 days after issuance of this permit)

Spud date: 
4-23-05
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, and unit or gas wells and within 1/2 mile of the boundaries of the proposed acreage, unit or gas wells.

API No. 15
Operator: Kansas Production, EOR, LLC
Lease Number: Krager
Number of Acres attributable to well: 160

Location of Well: County: Montgomery

1000'
feet from
N / S Line of Section
2040'
feet from
E / W Line of Section
Sec. 25
Twp. 34
S. R. 14

If Section is Irregular, locate well from nearest corner boundary.
Section corner used:

EXCEPT:

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. (G-7 for oil wells; G-8 for gas wells).