NOTICE OF INTENT TO DRILL

Must be approved by KCC law (3) days prior to commencing well

Expected Spud Date: 08 29 2005

OPERATOR: Licensed 33430

Name: Oklahoma Oil Properties, Inc.
Address: 100 Park Avenue, Suite 1200
City/State/Zip: Stillwater, OK 74075
Phone: 452-272-1833

CONTACT: License 35172

Name: Big D Drilling

Well Drilled For: Oil Gas

Well Class: Inclined Mod Ext.

Type Equipment: Mud Rotary Air Rotary

Geologic: 6 of Holes Other

If CRWHO: old well: Information as follows:

Well Name: Original Completion Date: Original Total Depth:

Directional, Deviated or Horizontal well:

If Yes, true vertical depth:

Bottom Hole Location:

KCC DKT #:

AUS 2-4 2005

KANSAS CORPORATION COMMISSION

Form G-1
December 2005
Form must be Typed
All blanks must be Filled

State: NE NV WY Sec: 34 S 8 28 02

Well No: 1-34

Field Name: John Field

Is this a Perforated / Spaced Field?

Target Formation(s): Council Grove

Nearest Lease or Unit boundary: 500'

Ground Surface Elevation: 2534'

Well water within one-quarter mile:

Public water supply well within one mile:

Depth to bottom of fresh water: 100'

Depth to bottom of usable water: 180'

Surface Pipe by Alternate: Yes

Length of Surface Pipe Planned to be Set: 1250'

DWR Permit #: 3400

Formation at Total Depth: Council Grove

Water Source for Drilling Operations:

Will Cores be taken?

If Yes, proposed zone:

The undersigned certify that the statements made in this application 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 above shall be left 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, or 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.

Pursuant to Appendix "B", Eastern Kansas surface casing order 153,892-1, which applies to the KCC District 3 area, alternate if cementing must be completed within 20 days of the spud date or the well shall be plugged. In all cases, NOTFPS 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: August 23, 2005

Signature of Operator or Agent: Leta Bell

Remember to:
- File Drill Per Application (form CDP-1) with Intent to Drill;
- File Completion Form AOD-1 within 120 days of spud date;
- File screening application prior to field production 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 (law authorized expiration date) please check the box below and return the address below.

Not Drill - Permit Expired

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

For KCC Use ONLY

API #: 1-19-21166-60-00

Conductor pipe required: ADJOINING FEET

Minimum surface pipe required: 200 FEET per API.

Approved by: W 8-26-05

02

This authorization expires: 10-26-05

(This authorization void if drilling not started within 6 months of effective date.)

Spud date: 8-26-05

Agent: Leta Bell
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: 119-21660100
Operator: Duncan Oil Properties, Inc.
Lease: Lolita
Well Number: 1-34
Frac: Johan Field

Number of Acres attributable to well: QTR / QTR / QTR of acreage: NE NW NW

Location of Well County: Meade

500 feet from N S Line of Section
1020 feet from E W Line of Section
Sec. 34 Twp. 34S R. 28 E East / West

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).
August 26, 2005

Mr. Nicholas E. Humphrey
Duncan Oil Properties, Inc.
100 Park Ave. Ste 1220
Oklahoma City, OK 73102

RE: Drilling Pit Application
Lola Lease Well No. 1-34
NW/4 Sec. 34-34S-28W
Meade County, Kansas

Dear Mr. Humphrey:

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 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. Please file form CDP-5, Exploration and Production Waste 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: S Durrant
 Conserva tio n D ivisio n, Fin n ey S t ate O ff ice B uilding, 130 S. M arket, R oom 2078, W ichita, K S 67202-2802
Voice 316.337.6200 Fax 316.337.6213 www.kcc.state.ks.us