NOTICE OF INTENT TO DRILL

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

KAN S A S CORPOR A T I O N C O M M I S S I O N

OIL & GAS CONSERVATION DIVISION

August 3, 2005

Name: Duke Drilling Company, Inc.

Address: 9431 E. Central, Ste #100

City/State/Zip: Wichita, KS 67206

Contact Person: Frandie R. Greenbaum

Phone: (316) 684-8401

CONSERVATION DIVISION

WICHITA, KS

RECEIVED

JUL 27 2005

KAN S A S CORPOR A T I O N C O M M I S S I O N

OPERATOR: License # 5056

Name: Duke Drilling Company, Inc.

Address: 9431 E. Central, Ste #100

City/State/Zip: Wichita, KS 67206

Contact Person: Frandie R. Greenbaum

Phone: (316) 684-8401

CONTRACTOR: License # 5629

Name: Duke Drilling Company, Inc.

Address: 9431 E. Central, Ste #100

City/State/Zip: Wichita, KS 67206

Contact Person: Frandie R. Greenbaum

Phone: (316) 684-8401

WELL DRILLED FOR:

Well Class: Water Well

Type of Equipment: Mud Rotary

DATE OF COMPLETION:

June 21

Ground Surface Elevation: 1125.25

Well Depth: 1125.25

Length of Surface Pipe: 2200

Formation at Total Depth: Arbuckle

Well Water Source for Drilling Operations: Drill Water

Drill Permit # - Contractor will notify

Will Core be taken?

Yes

If Yes, propose zone:

Type: 

Date: 07/02/2005

Signature of Operator or Agent: 

Title: Exploration Manager

Mail to: KCC - Conservation Division, 130 S. Market - Room 207B, Wichita, Kansas 67202

Remember:

Conductor pipe required None feet per Acre: 20

Minimum surface pipe required 2000 feet per Acre. #

AP # 15: 23325

Approved by 07/28/05

This authorization expires: 07/28/05

Mail to: KCC - Conservation Division, 130 S. Market - Room 207B, Wichita, Kansas 67202

Remember:

Field Drill Permit Application (form CP-1) with intent to drill.

Field Completion report must be submitted within 120 days of spud date.

File all required documents at field, including a copy of the completed permit application.

Upon completion, file a final report (CP-4) with appropriate local and state agencies.

If this form has been filed and the permit is expired, please check the box below and return to the address below.

Well Not Drilled - Permit Expired

Signature of Operator or Agent: 

Date: 

Notice of intent to drill must be approved by KCC five (5) days prior to commencing well.
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, 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: E. G. Holt Company, LLC
Lease: OTTE
Well Number: 2-5
Field: Bart-Staff
Number of Acres attributable to well:
QTR / QTR / QTR of acreage:

Location of Well
County:

Location

Line of Section

Section

Township

Range

Please check:

Regular or Irregular

 Plat
(Show location of the well and shade attributable acreage for prorated or spaced wells.)
(Show footage to 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 6 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-6 for gas wells).
July 28, 2005

Mr. Franklin R. Greenbaum
F.G. Roll Company, LLC
9431 E. Central Ste 100
Wichita, KS 67206

RE: Drilling Pit Application
Otte Lease Well No. 2-5
NE/4 Sec. 05-21S-14W
Stafford County, Kansas

Dear Mr. Greenbaum:

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/conservation/forms.

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,

[Signature]

Environmental Protection and Remediation Department

cc: S Durrant

Conservation Division, Finney State Office Building, 130 S. Meri, Room 207B, Wichita, KS 67202-3802
Voice: 316.337.6200 Fax: 316.337.6213 www.kcc.state.ks.us