NOTICE OF INTENT TO DRILL

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

--- Document Content ---

**Expected Spud Date:** August 26, 2005

**OPERATOR:**
- **Name:** R & E OIL & GAS
- **Address:** 107 E. College, Attica, IN 46701
- **Contact Person:** Mike Mowery
- **Phone:** 620-234-7251

**CONTRACTOR:**
- **Name:** Duke Drilling Co., Inc.

**Well Drilled For:**
- Oil
- Gas
- Storage
- Disposal
- Water
- Other

**Well Class:**
- Rham Rev
- Mud Rot
- Air Rot
- Cable

**Spot:**
- SE 1/4, NW 1/4 SE 1/4
- 330 ft from NW & SW lines
- 660 ft from NE & SE lines
- 1,500 ft from Section Line

**Ground Surface Elevation:**
- 1,400 ft

**Water Depth:**
- 1,800 ft

**Wells Drilled in the Surrounding Area:**
- Yes

**Well Construction Type:**
- Mud Rotary

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- Yes

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- Mud Rotary

--- Affidavit ---

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

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 of the pipe, after which surface pipe shall be set through all unconsolidated materials plus a minimum of 20 feet into the underlying formation.
4. If the well is in a hole, an agreement between the operator and the district office in pipe length and placement is necessary prior to plugging.
5. The appropriate district office shall be notified before well is either plugged or production is commenced.
6. If an Alternate #/Completion, production pipe shall be cemented from below any unlined or unlined surface to within 120 days of spud date.

Date:

July 26, 2005

Signature of Operator or Agent:

Sally R. Miller

Remember to:
- File Drilling Application (Form CDP-1) with County to Drill.
- File Completion Form ACD-1 within 120 days of spud date.
- File Articulation in production order.
- Notify appropriate district office 60 hours prior to workover or re-entry.
- Submit Declining Report (CP-4) after plugging is completed.
- Obtain written approval before disposing or injecting waste water.
- If this permit has expired (see authorized expiration date) please check the box below and return to the address above.

Mail to:
KCC - Conservation Division, 130 S. Market - Room 707A, 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 1/2 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: ____________________________
Lease: _______________________________
Well Number: _________________________
Field: ________________________________

Number of Acres attributable to well: ____________________________
QTR / QTR / QTR of acreage: ____________________________

Location of Well: County: ____________________________

<table>
<thead>
<tr>
<th>Section</th>
<th>Twp.</th>
<th>S. R.</th>
<th>East from N / S Line of Section</th>
<th>West from W Line of Section</th>
</tr>
</thead>
</table>

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 share attributable acreage for prorated or spaced wells.)

(Show footage to the nearest lease or unit boundary line.)

![Plat Diagram]

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

BARBER COUNTY

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 2, 2005

Mr. Randy Newberry
R & B Oil & Gas
PO Box 195
Attica, KS 67009-0195

RE: Drilling Pit Application
Trantham-McGuire Lease Well No. 2
SE/4 Sec. 28-32S-10W
Barber County, Kansas

Dear Mr. Newberry:

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 lined with bentonite. The free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchison 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 CDF-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]

Kathy Haynes
Environmental Protection and Remediation Department

cc: S Durrant

Conservation Division, Finney State Office Building, 120 S. Market, Room 2078, Wichita, KS 67202-3002
Voice 316 337 4200 Fax 316 337 6211 www.kcc.state.ks.us