NOTICE OF INTENT TO DRILL

KANSAS CORPORATION COMMISSION
Oil & Gas Conservation Division

SEPTEMBER 30, 2005

Expected Spud Date: 9-28-05

OPERATOR: Licensee: 6236
Name: MTM PETROLEUM, INC.
Address: PO BOX 82
City/State/Zip: HUGO KS 67142-0082
Contact Person: MARVIN A MILLER
Phone: 620-532-3794
Contractor: Licensee: 33610
Name: FOSSIL DRILLING, INC.

Well No.: 2310
Well Class: Spud
Type Equipment: 1560'

Date Spud for: 9-28-05
Date Class: Spud
Well Depth: 1212'

Distance from S Line of Section: 14
Distance from E Line of Section: 15

Location: 36N, 94W, 180'

Is Section Regular or Irregular: Regular
(Note: Locate well on the Section Plat on reverse side)

County: HARRIS
Lease Name: SMYTH-GRAVES-BASIL
Field Name: WELTON
Target Formation(s): MISSISSIPPIAN
Nearest Lease or unit boundary: 300' Ground Surface Elevation: 1466'

Water well within one-quarter mile: 150'
Public water supply well within one mile: 180'
Depth to bottom of fresh water: 150'
Depth to bottom of usable water: 180'

Surface Pipe by Alternate: 1
Length of Surface Pipe Planned to be set: 200
Length of Conductor Pipe required: NONE
Projected Total Depth: 4500
Formation at Total Depth: MISSISSIPPIAN

Drill Source for Drilling Operations: Water

Will Cores be taken? No

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.

Pursuant to Appendix B - Eastern Kansas surface casing order 4133,891-C, which applies to the KCC District 3 area, alternate casing cement 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: 9-12-05
Signature of Operator or Agent: KathyNeil
Title: Agent

For KCC Use ONLY

API # 15 - 077
Conductor pipe required: NO
Minimum surface pipe required: 2006
Approved by: 323-2320
This authorization expires: (This authorization will not be extended beyond 6 months of effective date)
Spud date: Agent:

Mail to: KCC - Conservation Division, 130 S. Market - Room 207B, 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 all sides 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 situated in relationship to other wells producing from the common source of supply. Please show all the wells and within 1 mile of the boundary 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: MM PETROLEUM, INC.
Lease: MCINTIRE
Well Number: 2
Field: SURVEY-GRABS-BASIL
Number of Acres attributable to well:
QTR / QTR / QTR of acreage:

Location of Well: County: HARPER
Z310 feet from N / S Line of Section
58500 feet from E / W Line of Section
Sec. 1 Twp. 31 S R B
Is Section: Regular or Irregular

If Section is Irregular, locate well from nearest corner boundary.
Section corner used: NE NW SE SW

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. (CO-7 for oil wells; CO-8 for gas wells.)
September 23, 2005

Mr. Marvin Miller
M&M Petroleum, Inc.
PO Box 82
Spivey, KS 67142-0082

Re: Drilling Pit Application
McIntire Lease Well No. 2
SE/4 Sec. 01-31S-08W
Harper County, Kansas

Dear Mr. Miller:

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 all pits must be lined with bentonite. 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 within 72 hours 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 (316) 630-4000 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,

Kathy Haynes
Environmental Protection and Remediation Department

cc: Doug Louis