KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL
Must be approved by KCC five (5) days prior to commencing well.

Expected Spud Date: October 1, 2005

OPERATOR: BLACK DIAMOND OIL, INC.
Name: MAYS KS 567001
Contact Person: KENNETH VEHGE
Phone: 785-625-5591

CONTRACTOR: TNT WELL SERVICING, INC
Name: MURFIN DRILLING

Well Drilled For: Oil
Well Class: Producing Well
Type: Oil

Spot NW 2210.4 NE 940.0 SE 79.0 S 19.0
Well from NE / S Line of Section
West / W Line of Section

Is SECTION Regular / Irregular?
(Note: Locate well on the Section Plat on reverse side)

County: ELLIS
Lease Name: VINE
Field Name: SOLOMON

Nearest lease or unit boundary: 430 ft
Ground Surface Elevation: 1966.6 ft

Well within one-mile radius: No
Surface Altitude: 1720 ft

Public water supply well within one mile: No
Depth to bottom of fresh water: 160 ft

Exposed layer of water: No
Length of Surface Pipe Placed to go: 2340 ft

Form 1-1 December 2002

For KCC Use Only
API # 15:

Minimum surface pipe required: 340 ft

This authorization expires: 9-28-05

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW
PLOT 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 - 051-24301
Operator: BLACK DIAMOND OIL, INC
Lease: VINE
Well Number: 3
Fields: SOLOMON

Location of Well: County: ELLIS
2210 feet from N / S Line of Section
940 feet from E / W Line of Section
Sec. 22 Twp. 11 S. R. 10
Is Section: [ ] Regular or [ ] Irregular

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

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.)

RECEIVED
SEP 22 2005
KCC WICHITA

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 line 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; (C0-7 for oil wells; C0-6 for gas wells).
September 23, 2005

Mr. Kenneth Vehige
Black Diamond Oil, Inc.
P.O. Box 641
Hays, KS 67601

RE: Drilling Pit Application
    Vine Lease Well No. 3
    SE1/4 Sec. 22-11S-19W
    Ellis County, Kansas

Dear Mr. Vehige:

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 practical after drilling operations have ceased. Please keep all pits away from any draws.

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 (785) 625-0550 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: H Deines