KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

KCC WICHITA

Received SEP 2 6 2005

For KCC Use

Effective Date 10 - 1 - 05

Drill Site

SBA?

Yes

No

Expected Spud Date

10/12/05

OPERATOR: Licenses 0567

Name: Dakota Resources Inc.

Address: 234 W. 11th St.

City/State: Emporia, KS 67846

Contact Person: Curtis L. Longenecker

Phone: 742-8700

CONTRACTOR: License No. 31548

Name: Discovery Drilling

Well Ordered: Yes

Well Class: Inf  

Type Equipment: JUST MINING

Oil: 0.

Gas: 0.

Water: 0.

OWO: 1.

Depleted: No.

Sec. 16, Twp. 14, R. 16

E. 2/4 NE

(Notes: Locate well on the Section Plot on reverse side)

County: Ellis

Lot No.: 338

Well No.: 3

Field Name: Wildcat

Is this a Powdered / Fractured Field: Yes

Target Formation(s): Marcellus Kansas City Arbuckle

Nearest Lease or Unit Boundary: 450

Ground Surface Elevation: 1880

Net MSL: 1492

Water well within one-quarter mile: No

Public water supply well within one mile: Yes

Depth to bottom of fresh water: 198

Depth to bottom of usable water: 198

Surface Pipe by Alternate: 0

Length of Surface Pipe Pumper to be set: 1200

Length of Conductor Pipe selected: 2000

Project Total Depth: 3500

Insert at Total Depth: 1200

Arbuckle

Water Source for Drilling Generations: Well

Farm Pond: Yes

Drill permits: Yes

Drill permit No.: 338A

Covet be Cabin: Yes

If Yes, proposed name: N/A

If No, original name: N/A

If Yes, revised location: N/A

If No, revised location: N/A

If Yes, revised depth: N/A

If No, revised depth: N/A

If Yes, revised date: N/A

If No, revised date: N/A

Affidavit

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-35 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 testing is commenced.

If an ALTERNATE: II COMPLETION, production pipe shall be inserted from below any visible water to surface within 120 days of spud date.

Or pursuant to Appendix "B", Eastern Kansas Surface casing order 133-891-5, which applies to the KCC permit 3 area, alternate II casing shall 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 hereon are true and to the best of my knowledge and belief.

Date: 6/25/2005

Signature of Operator or Agent: [Signature]

Title: Vice President/Geologist

[Signature]

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

For KCC Use ONLY

API # 15 - 05 1

Conductor pipe required: NO

Minimum surface pipe ordered: 0

Approved: 2000

This affidavit states: 329.06

(This affidavit states if drilling not started within 6 months of approval.)

Spud date: [Date]

Agent: [Name]

If No, revised location: N/A

If Yes, revised date: N/A

If No, revised date: N/A

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

[Signature]
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 compare the plat below showing how 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.

ANM No. 16
Operator: Dollar Resources, Inc.
Lessee: MKB
Well Number: 1
Field: Wiltac
Number of Acres attributable to well:
Documents / CTR: 16 / CTR of acreage:

Location of Well: County: Ellis
1320 45°
N
W
Line of Section
Sec. 16 14
16
NE NE NE NE
S
R
West
East

Is Section: Regular or Irregular

If Section is irregular, locate well from nearest corner boundary.
Section corner unit: NE NE NE NE

PLAT
(Show location of the well and shade attributable acreage for prorated or spaced wells.)
(Show footage to the nearest tenth 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. (CD-7 for oil wells; CD-8 for gas wells).
September 26, 2005

Mr. Curtis R. Longpine
Diamar Resources, Inc.
234 W. 11th St.
Hays, KS 67601

RE: Drilling Pit Application
MKB Lease Well No. 1
NE1/4 Sec. 16-14S-16W
Ellis County, Kansas

Dear Mr. Longpine:

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

c: H Deines

Conservation Division, Kansas State Office Building, 300 S. Market, Topeka 2018, Kansas 66629-3002
Voice 316.337.6200 Fax: 316.337.6211 www.kcc.state.ks.us