KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL

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

Date: 3/14/05

Operator: X3397
Name: Running Horn Petroleum, Inc.
Address: 6045 E. Kansas Ave., Ste. 112
City/State: Topeka, KS 66612
Contact Person: Brenda Scott
Phone: 785-272-0616

Contractor: Licensee 578L
Name: McGown Drilling

Date: 3/25/05

Expected Spud Date: month day year

Operator: X3397
Name: Running Horn Petroleum, Inc.
Address: 6045 E. Kansas Ave., Ste. 112
City/State: Topeka, KS 66612
Contact Person: Brenda Scott
Phone: 785-272-0616

Contractor: Licensee 578L
Name: McGown Drilling

County: Brown

Lease Name: Vogel
Field Name: Wildcat
Target Formation: Mississippian

Nearest Lease or unit boundary:

S-33-68-11-12W-02:
1.5 mi N
2.7 mi S
1.9 mi W
1.0 mi E

Surface Location:

36° 59' 30" N
96° 0' 0" W

Date:
July 27, 2005

Date:
March 19, 2005

The undersigned hereby affirms that the drilling, completion and eventual plugging of the well will comply with K.S.A. 55-24a.

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 in the following locations:
   a. Oil well office
   b. Post office
   c. KCC office
   d. Other
3. If the well is dry, an agreement between the operator and the district office on legal length and placement is necessary prior to drilling;
4. The appropriate district office will be notified before well is either plugged or production is abandoned;
5. If an ALTERNATE I COMPLETION, production pipe shall be cemented from bottom to surface within 120 days of spud date.
6. Compliance with Appendix 19, Eastern Kansas surface casing order 95-031-0-12, which applies to the KCC District 2 area, alternate II cementing must be completed within 30 days of the spud date

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: 3/15/05
Signature of Operator or Agent: J. A. Hoaguin
Title: President

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

Form 4-11

Prepared by: 9/28/2005

TOTAL DEPTH WAS: 650 FT; 2,100
FORM AT TD. WAS MISSISSIPPIAN
NOTICE TO OPERATORS FILING INTENT TO DRILL FOR DISPOSAL OR ENHANCED RECOVERY INJECTION WELLS, (CLASS II INJECTION WELL)

The attached approved Notice of Intent to Drill indicates the proposed well is to be used for injection. An approved “Intent to Drill” does not approve injection authority as a Class II Injection Well in Kansas.

Before any well is used for injection purposes, the operator must file an application for injection authority in accordance with K.A.R. 82-3-401 and provide notice in accordance with K.A.R. 82-3-402. The Conservation Division must issue a written permit granting the application before commencement of injection.

The Conservation Division requirements and restrictions associated with Class II Injection are identified in K.A.R. 82-3-400 et seq of our regulations. Associated regulations governing drilling, completion and injection applications may be found in K.A.R. 82-3-135, Table I, Table II, in the Cedar Hills Sandstone Moratorium, (Docket #156,397-C), and the Eastern Kansas Surface Casing Order, (Docket #133,891-C).

If you have questions regarding the approval of injection authority, an injection application may be filed as a “Design Approval” before actual drilling and completion of the well occurs. If you have any questions or concerns regarding Class II injection wells or regulations, call the Underground Injection Control Department at 316-337-6200.

Failure to obtain commission approval before beginning injection is punishable by a penalty, shut-in of the well or both.

Conservation Division, Firem Stave Office Buiding, 130 S. Market, Room 2078, Wichita, KS 67202-2001
Voice 316-337-6200 Fax 316-337-6251 www.kcc.state.ks.us