NOTICE OF INTENT TO DRILL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

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

Effective Date: October 2003

Form must be typed.

All blanks must be filled in.

OPERATOR: License: 4058
AMERICAN WARRIOR, INC.
Name:
Address: P.O. Box 269
City/State/Zip: Garden City, Kansas 67846-0399
Contact Person: Cecelia O'Brate
Phone: 620/953-9231

CONTRACTOR: License: 5929
NAME: KKE DRILLING COMPANY, INC.

Wall Drilled For: 10' N & 60' E of
Type Equipment: Oil

Ground Surface Elevation: 1853.1

Temporary Lease or Unit Boundary: 1060'

Nearest Lease or Unit Boundary: 200'
Depth to bottom of lease wall: 320'

Well and Water Rights: See Addendum

Water Source for Drilling Operations: Artesian

Location of Drilling: X

Land Status: Permit Applied

According to Kansas Corporation Commission, OCT 2 & 5 2005

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-13-4.

It is agreed that the following minimum requirements will be met:

1. Notify the appropriate district office prior to spudding of well.
2. Attach 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 (x) and (y) from the casing head, to the top of 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 alternative completion, production pipe shall be cemented behind a non-perforated casing to surface within 120 days of spud date.

Or pursuant to Article 19-E: Eastern Kansas surface sealing order #13391-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, KDWP's district office prior to any remanement.

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

Date: 10/25/05

Signature of Operator or Agent: Sally D. Byers

Title: Agent

KANSAS CORPORATION COMMISSION

Remainder of:
- File D-2 or D-4 application (Form CD-1) with intent to drill.
- File Completion Form ACD-1 within 120 days of spud date.
- File assurance statement plan according to field protection orders.
- Notify appropriate district office 48 hours prior to spudding or re-entry.
- Submit plugging report (3-D) after plugging is completed.
- Obtain written approval before disposing or removing soil waste.
- If this permit has expired (see authorized expiration date) please check the box below and return to the addressee below.

West Has Drilled - Permit Expired

Signature of Operator or Agent:

Date: 10/25/05

Cardinal: KCC - Conservation Division, 130 S. Martin - Room 207, Wichita, Kansas 67202
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plat of acreage attributable to a well in a proposed or spaced field

If the intended well is in a proposed or spaced field, please fully complete this side of the form. If the intended well is in a private 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 attributable unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attributable unit for oil wells.

API No. 15
Operator:
Lessee:
Well Number:
Field:
Number of Acreage attributable to well:

Location of Well, County:

Section:

T

E

W

West

Regular or Irregular

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

NE

SE

SW

SE

EXAMPLE

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

DARTON COUNTY

In plotting the proposed location of the well, you must show:
1. The miner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 5 surrounding sections.
2. The distance of the proposed drilling location from the section's north or east line.
3. The distance to the nearest lease or unit boundary line.
4. If proposed location is located within a proposed or spaced field a certificate of acreage attribution plat must be attached (1b-7 for oil wells; 1d-8 for gas wells).
October 26, 2005

Mr. Cecil O'Brate
American Warrior, Inc.
PO Box 399
Garden City, KS 67846-0399

RE: Drilling Pit Application
Chisholm Lease Well No. 1-30
SW/4 Sec. 30-20S-12W
Barton County, Kansas

Dear Mr. O'Brate:

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 if sand is encountered during the construction of the reserve pit or working pits, please call the District Office at (785) 625-0550. The 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 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,

[Signature]
Kathy Haynes
Environmental Protection and Remediation Department

cc: H Deines