KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

Must be post-dated by KCC five (5) days prior to commencing well

Expected Start Date: November 01, 2005

OPERATOR: License # 03182
Name: PPI ENERGY CORPORATION
Address: PO BOX 3827
City/State/Zip: TUSTIN, CA 92781-3827
Contact Person: PAT H COCHRAN
Phone: 714-730-7850

CONTRACTOR: License # 69458
Name: WESTGATE-GREENLAND OIL

Well Drilled For: Production
Well Class: Gas
Type Equipment: Oil

Drilling Rig:
Oil: Yes
Gas: No

don't know
Deer Creek:
Dry: Yes
Piez: No

If YES, well information as follows:
Operator Name: EWALT R3
Well Name: 02303/02350
Original Completion Date: 02/03/1950
Original Total Depth: 3560

Directional, Deviated or Horizontal wellbore? Yes

If Yes, true vertical depth:

Bottom Hole Location:

KCC #:

Spur C/N: 21
Spur S2: NE

L200 230

Line of Section

Note: Locate well on the Section Plan (or reverse side)

County: STAFFORD
Lease Name: MOHBOOM
Land Owner: Yes

Is a Proposed / Existing Field?

Target Formation: ARBUCKLE

Nearest Lease or unit boundary: 330

Ground Surface Elevation: 1911

Water well within one-quarter mile:

Public water supply well within one mile:

Depth to bottom of fresh water:

Depth to bottom of usable water:

Surface Pipe by Alternative: 54'

Length of Conductor Pipe required:

Proven Total Depth: 3560

Formation at Total Depth:

Water Source for Drilling Operations:

Well: Yes
Farm Pond: No
DWH Permit #: 02350

Will Coals be taken?

Yes
No

PRODUCED WATER

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-26-60.

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 cementing a toe in; all casing splices 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; and
5. The appropriate district office will be notified before well is either plugged or production of oil/gas is commenced.
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within 120 days of spud date.

Or pursuant to Appendix B: 55-26-601

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: 10/21/2005

Signature of Operator or Agent:

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

RECEIVED

KANSAS CORPORATION COMMISSION

OCT 25 2005

CONSOLIDATION DIVISION

Number:

Date:

Remember to:
- File Drill Pit Application (form CDP-1) with intent to Drill;
- File Completion Form ACD-1 within 120 days of spud date;
- File acreage attribution plot according to field location orders;
- Notify appropriate district office 48 hours prior to re-entry;
- Submit plugging report (CP-4) after plugging is completed;
- Obtain written approval before disposing or injecting salt water;
- On this permit has expired: (See authorized expiration date please check the box below and return to the address below)

Well Not Drilled - Permit Expired

Signature of Operator or Agent:

Date:

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

For KCC use ONLY

AP #: 185-01702-00-0-01

Conductor pipe size required: 10 1/2" N80

Minimum surface pipe required: 500 feet

Approved by: RSP10-2005

This authorization expires: 5-24-06

Said date: Agent

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, 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 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 attributable well for gas wells and within 1/2 mile of the boundaries of the proposed acreage attributable unit for oil wells.

API No. 15 -
Operator: NPF ENERGY CORPORATION
Lease: EWALT
Well Number: 3
Field: ROTHGARN POOL

Number of Acres attributable to well: 10
QTR / QTR / QTR of acreage: NW 2 / 3 / NW

Location of Well: County: STAFFORD
990 feet from E / S Line of Section
1320 or 1520

3 Section: 10 Twice 25 13

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 boundary to the nearest lease 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 section in which you are using the depleted plat by identifying section lines, i.e., 1 section, 1 section with 8 surrounding sections, 2 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.)
October 25, 2005

Mr. Pat Cochran
NPF Energy Corporation
PO Box 3827
Tustin, CA 92781-3827

RE: Drilling Pit Application
Ewalt Lease Well No. 3
NE/4 Sec. 10-21S-13W
Stafford County, Kansas

Dear Mr. Cochran:

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.

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 (620) 225-8888 when the fluids have been removed. Please file form CDP-S, 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: S Durrant

Conservation Division, Finney State Office Building, 130 S. Market, Room 2070, Wichita, KS 67202-3802
Voice 316.337.6200 Fax 316.337.6211 www.kcc.state.ks.us