NOTICE OF INTENT TO DRILL

Expected Spud Date: 11/15/2005

OPERATOR: Licensed 33036
Name: State Exploration, Inc.
Address: PO Box 451
City/State: Fairlawn, IL 60327
Contact Person: John K. Kimery
Phone: 618-615-2737

CONTRACTOR: Licensee: 30984
Name: Strokerd RTD, Inc.

Well Drilled For:
- Oil
- Gas
- Storage
- GW
- Disposal
- Other

Well Class:
- Oilwell
- Gaswell
- Water Well
- Other

Type of Equipment:
- Mud Rotary
- Air Rotary
- Other

I am the person authorized to drill and shall be responsible for drilling, operating, and maintaining the well(s) described in this Notice of Intent to Drill.

If DWDD: old well information as follows:
- Operator:
- Well Name:
- Original Completion Date:
- Original Total Depth:
- Depth of Horizontal well:
- If Yes, true vertical depth:
- Bottom Hole Location:

KCC DKT #:

SPOT CODE: EC2
SPOT DATE: 11/09/05
SE: 26
T: 29
S: 32
Sec. 26
Twp. 29
S.R. 32

Is SECTION ___ a Regular or ___ a Regular?

West

Shape Location on the Section Plat on reverse side

County: Hamilton
Lease Name: Ettel

Field Name: "Spaced"

Is this a Prospaced / Spaced Field?

Target Formation: St. Louis

Normal Lease or unit boundary:

Ground Surface Elevation: feet

Depth to bottom of fresh water:

Surface Pipe to Alternate:

Depth of Surf Line Planned to be set:

Length of Surf Line Planned to be set:


depth

Length of Conductor Pipe required:

Projected Total Depth:

Formation at Total Depth:

Water Source for Drilling Operations:

Yes

DWW Permit #:

Will Close be taken?

If Yes, proposed zone:

FAIRҳED & SPACED HUGTON

The undersigned hereby affirm that the drilling, completion and eventual plugging of this well will comply with K.S.A. 65-14 et 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 in 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 abandoned. Notice is deemed to be given when a cement job is done;
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from bottom any usable water surface to within 100 days of spud date.

Of pursuant to Appendix "B" - Eastern Kansas surface casing order #1532, which applies to the KCC District 3 area, exists 3rd completions must 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.

For KCC Use ONLY

API or No:

Conductor pipe required:

Minimum surface pipe:

Approved by:

This authorization expires:

Spud date:

Mail to: KCC - Conservation Division, 130 S. Market - Room 218, Wichita, Kansas 67202

For KCC Use ONLY

Memories:
- File Drill Per Application (form COP-1) with Intent to Drill;
- File Completion form COP-1 within 120 days of spud date;
- File acreage attribution plan according to field production orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed;
- Obtain written approval before disposing or reusing salt water;
- If this permit has expired (see attached expiration date) please check the box below and return to the address below.

Date:
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

If the intended well is in a propped or spiked field, please fully complete this side of the form. If the intended well is in a propped or spiked 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 1/2 mile of the boundaries of the propped or spiked area and within 1/4 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:
Contractor:
Well Number:
Lease:
Field:
Number of Acres Attributable to Well:
Location of Well:
Haskell County:
Location of Section:
Sec.:
Twp.:
S. R.:
Line of Section:
E. W.:

If the Section is irregular, locate well by nearest corner boundary.
Section corner used:

PLAT

(Area location and shade attributable acreage for propped or spiked wells.)
Limb 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 manner in which you are using the deploped plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the propped drilling location from the location'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 propped or spiked field a certificate of acreage attribution plat must be attached (CS-7 for oil wells; CS-8 for gas wells).