RECEIVED

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

KCCC WICHITA

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

All blanks must be filled.

 FORM C-1
 December 2002
 Form must be Typed
 From must be Signed

For KCC Use

<table>
<thead>
<tr>
<th>Date:</th>
<th>10-21-05</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective Date:</td>
<td></td>
</tr>
<tr>
<td>District #:</td>
<td>S05</td>
</tr>
<tr>
<td>SSA: #</td>
<td>Yes</td>
</tr>
</tbody>
</table>

Expected Spud Date: December 3, 2005

OPERATOR:
Name: Raymond Oil Company, Inc.
Address: PO Box 48758
City/Sta/Stp: Wichita KS 67221
Contact Person: Clara Sandberg
Phone: (316) 267-8211

CONTRACTOR:
Name: Duke Drilling Company, Inc.

Well Dug For:

<table>
<thead>
<tr>
<th>Well Class</th>
<th>Type Equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil</td>
<td>Mud Rotary</td>
</tr>
<tr>
<td>Has</td>
<td>Pool Ext.</td>
</tr>
<tr>
<td>NWCD</td>
<td>Air Rotary</td>
</tr>
<tr>
<td>Vals</td>
<td>Cable</td>
</tr>
<tr>
<td>Other</td>
<td></td>
</tr>
</tbody>
</table>

If DWWO: old well information as follows:
Operator:  
Well Name:  
Original Completion Date:  
Original Total Depth:  
Directional, Deviated or Horizontal well?:  
Yes  No

If Yes, true vertical depth:  

Before Hole Location:  
KCC DIRT #

Spot

<table>
<thead>
<tr>
<th>SE</th>
<th>NE</th>
<th>SW</th>
<th>NW</th>
</tr>
</thead>
<tbody>
<tr>
<td>1650</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2310</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Is SECTION Regular  Irregular?

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

County: Barber
License Name: Dugan Trust "E"
Field Name: Brook
Is this a Priced / Spaced Faill?

Target Formation(s):
Index: Case Sand, Douglas Sand & Missoula
Nearest Lease or unit boundary: 330
Ground Surface Elevation: 1571
Water well within one-quarter mile:
Public water supply well within one mile:
Depth to bottom of fresh water: 1518
Depth to bottom of usable water: 1600
Length of Surface Pipe Planned to be set: 290
Length of Conductor Pipe Required:  

Formation & Total Depth: Delta

Water Source for Drilling Operations:  

DNR Permit #:  
Contractor Will File:

Will Cores be taken?
Yes  No

If Yes, proposed zone

AFFIDAVIT

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

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

1. Notify our 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 surrounding cement to the top in all cases surface pipe shall be set in unconsolidated materials plus a minimum of 20 feet into two conflicting formations;

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 ALTERNATE II COMPLETION, production pipe shall be cemented down below any usable water to surface within 120 days of spud date.

Or pursuant to Appendix "B", Eastern Kansas surface casing requirements, if the DNR, C, which applies to the KCCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well will be plugged.

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

Date: November 8, 2005
Signature of Operator or Agent:

For KCC Use ONLY

API # : 007-22950-00
Conductor pipe required: 200 feet
Minimum surface pipe required: 600 feet per 1000

Approved:  

This authorization expires  
(This authorization void if drilling not started within 6 months of approval date.)

Spud date:  
Agent:  

Remember to:

- File Drill Application (form CDP-1) with intent to Drill;
- File Completion Form CDP-1 within 150 days of spud date
- File agency attribution plan according to field protection orders;
- Notify appropriate district office 48 hours prior to takeover or re-entry;
- Submit plugging report (CDP-2) after plugging is completed;
- Obtain written approval before disposing or injecting salt water;
- If this permit has expired (See authorized expiration date) please check the box below and return to the address below.

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAY BELOW

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

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

API No. _____
Operator: Raymond Oil Co., Inc.
Lease: Chimer Trust "E"
Well Number: 2
Field: Brook

Location of Well: County: Barber

1650

2310

N 39th St

N 37th St

Line of Section

Line of Section

Sec. 39

Sec. 31

Res. 13

Res. 13

Is Section: [ ] Regular or [ ] Irregular

If Section is Irregular, locate well from original corner boundary.

Section corner used: [ ] NE [ ] NW [ ] SE [ ] SW

PLAY

(Show location of the well and shade appropriate acreage for pooled or spaced wells.)

(Show footage 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 manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 quadrants, 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 pooled or spaced field a certificate of acreage attribution plat must be attached. (C-7 for oil wells; C-8 for gas wells.)
November 16, 2005

Mr. Clarke Sandberg
Raymond Oil Company, Inc.
PO Box 4878
Wichita, KS 67201

PE: Drilling Pit Application
Dugan Trust E Lease Well No. 2
SW/4 Sec. 33-316-13W
Barber County, Kansas

Dear Mr. Sandberg:

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 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.

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-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/conservationforms.

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]
Environmental Protection and Remediation Department

cc: S Durrant

Conservation Division, Finsay State Office Building, 140 S. Market, Room 2278, Wichita, KS 67202-3002
Voice 316.297.6300 Fax 316.297.6210 www.kcc.state.ks.us