NOTICE OF INTENT TO DRILL

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

Operable Date: December 7, 2005

OPERATOR: License No. 20742
Name: Patterson Petroleum, Inc.
Address: 584 SE 6th AVE
City/State/Zip: Newton, Kansas 67114-9227
Contact Person: Jim Wadsworth
Phone: (316) 263-1050

CONTRACTOR: License No. 5123
Name: Nickel Drilling Co., Inc.

Well Drilled For: Well Cons. Type: Equipment:

Gas Storage Pool Ext. Air Rotary
Oil Storage Well Drilled for Other
Other

If OWMO: old well information as follows:
Operator:
Well Name:
Original Completion Date:
Orphic/Total Depth:
Drilled for, Deviated or Horizontal well(s):
Yes No
If Yes, from vertical depth:
Bottom side Location:
KCC DKT #

AFFIDAVIT

The undersigned Swearing Officer affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 65-32-20.

It is agreed that the following minimum requirements will be met:
1. A notice to 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 piping as specified shall be set by circuiting cement to the top; in all cases surface piping shall run through all uncompacted materials plus a minimum of 20 feet into the underlying formations;
4. If the well is dry hole, an arrangement 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 from below any usable water to surface within 120 days of spud date.

Or pursuant to Appendix "B": Eastern Kansas surface casing order #133.8914C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or well shall be plugged. In all cases, NOTORIE district office prior to any cementing.

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

Date: November 29, 2005
Signature of Operator or Agent: Title: President

Remember to:
- File Drill Permit Application (Form CDP-1) with Intent to Drill;
- File Construction From CDP-1 within 120 days of spud date;
- File summary/permission plan according to initial permission orders;
- Notify appropriate district office of all changes to well or re-entry;
- Submit plugging report (CDP-4) after plugging is completed;
- Obtain written approval before disposing or mixing salt water;
- If this permit has expired (see authorized expiration date please check box below) and return to the address below.

Mail to: KCC - Conservation Division, 190 S. Market - Room 221F, Wichita, Kansas 67202

Date: 12.05.05

Form 6-1
December 2002
Form must be Typed
All blanks must be Filled
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 attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for oil wells.

API No. 15
Operator: Palomino Petroleum, Inc.
Lease: Herold
Well Number: 1
Field: Proratable
Number of Acres attributable to well:
QTR / QTR / QTR of acreage: NE / SE / NE.

Location of Well: County: Ness
1500
Location of Well: 750
feet from:
N / 30
E / 5
S Line of Section
W Line of section
Sec 9
Twp 19
R 24
East
West

Is Section: □ Regular or □ Irregular

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 the attributable acreage for prorated or spaced wells.)
(Show footages to the nearest lease or unit boundary line.)

RECEIVED
KANSAS CORPORATION COMMISSION
NOV 2 9 2005

CONSERVATION DIVISION
WICHITA, KS

EXAMPLE

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

IN SS CD.

In plotting the proposed location of the well, you must show:
1. The manner in which you are using the declarant plat by identifying section lines, i.e. 1 section, 1 section with 6 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the section's north / northeasterly and east / westerly.
3. The distance to the nearest lease or unit boundary line.
4. If the 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).