KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

For KCC Use:
Wells

Effective Date:

OGA?

Yes

No

Date:

Expected Spud Date:

1-02-06

month

tyear

OPERATOR:

License No. 4058

Name: American Whiting Inc.

Address: PO Box 399

City/State/Zip: Garden City KS 67846-0399

Contact person: Card O’Bale

Phone: 620-275-9211

CONTRACTOR:

License No. 5892

Name: Benefit Drilling Company, Inc.

Well Drilled For:

Well Class:

Oil

Gas

Storage

NWO

Disposal

Oil & Gas

Type Equipment:

Mud Rotary

Air Rotary

Cable

If OWMN said well information fits below:

Operator:

Well Name:

Original Completion Date:

Original Total Depth:

Directional, Drilled or Horizontals well?

Yes

No

Bottom Hole Location:

If Yes, true vertical depth:

KCC URF

X SPECIAL SURFACE PIPE REQUIREMENTS

JFELEV. IS LESS THAN 2000 FEET AGL

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-30q. 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 to the top in all casing surface pipe shall be set through all uncontrolled materials plus a minimum of 20 feet in the underlying formation.

4. If the well is a gas well, 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.

6. If an ALTERNATE II COMPLETION, production pipe also 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 #133,891-G, which applies to the KCC District 3 area, alternate II cementing 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.

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

Date: 12-27-05

Signature of Operator or Agent:

Title: Agent

Mail to: KCC - Conservation Division, 130 S. Market - Room 227B, 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 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: American Warner, Inc.
Lease: Kentucky Hardman
Well Number: 3
Field: Lock East
Number of Acres attributable to well: ____________________________
QTR / QTR / QTR of acreage: ________ SE, NW, SE

Location of Well: County: Graham
1000 feet from ________ N / S / E / W Line of Section
3190 feet from ________ N / S / E / W Line of Section
Sec. ________ Twp. ________ Range ________ W / E
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 attributable acreage for prorated 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 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 unit must be attached. (CG-7 for oil wells; CG-8 for gas wells).
December 28, 2005

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

RE: Drilling Pit Application
Kenyon Hardman Lease Well No. 3
SE/4 Sec. 07-08-21W
Graham 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 lined with native clay. Please call the district office at (785) 625-0550 after the pits have been dug. District staff has determined that 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 (785) 625-0550 when the fluids have been removed. Please file form CDP-5 (August 2004), 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,

Kathy Haynes
Environmental Protection and Remediation Department

cc: H Deines

KANSAS
CORPORATION COMMISSION
KATHLEEN SIBELIUS, GOVERNOR
DOUG J. MCNEELY, CHAIR
ROBERT E. BREHMEL, COMMISSIONER
MICHAEL C. NOFZIG, COMMISSIONER

Conservation Division, Kansas State Office Building, 130 S. Market, Room 2078, Topeka, KS 66620-1802
Voice 316-237-6200 Fax 316-237-6211 www.kcc.state.ks.us