For KCC Use: 8.23.03

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL
Must be approved by KCC five (5) days prior to commencing well

Expected Spud Date: October 1, 2003

OPERATOR: License#: 33019
Name: Rosewood Resources, Inc.
Address: 2711 N. Haskell Ave., Suite 2800, LB #22
City/State/Zip: Dallas, Texas 75204
Contact Person: Jenni Trietsch
Phone: 214-756-6607

CONTRACTOR: License#: 8273
Name: Excell Drilling Co.

Well Drilled For: Gas
Well Class: Storage
Type Equipment: Mud Rotary

If OWWO: old well information as follows:
Operator:
Well Name:
Original Completion Date:
Original Total Depth:
Directional, Deviated or Horizontal wellbore? Yes
Bottom Hole Location:
KCC DKT #:

Spot SW - NE - NE Sec. 10 Twp. 7 S. R. 39
1209 feet from N (circle one) Line of Section
1217 feet from E (circle one) Line of Section
Is SECTION Regular Irregular
(Note: Locate well on the Section Plat on reverse side)

County: Sherman
Lease Name: Pancake
Well #: 2-10
Field Name: Goodland
Is this a Prorated / Spaced Field? Yes
Target Formation(s): Niobrara
Nearest Lease or unit boundary: 1,217'
Ground Surface Elevation: 3540 feet MSL
Water well within one-quarter mile: No
Public water supply well within one mile: No
Depth to bottom of fresh water: 200 ft
Depth to bottom of usable water: 250 ft
Surface Pipe by Alternate: None
Length of Surface Pipe Planned to be set: 300 ft
Length of Conductor Pipe required: None
Projected Total Depth: 1,400'
Formation at Total Depth: Niobrara
Water Source for Drilling Operations:
Well _____ Farm Pond _____ Other XXX
DWR Permit #:
(Note: Apply for Permit with DWR)
Will Cores be taken? Yes
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. 55-101, 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 to 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 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. 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: August 15, 2003  Signature of Operator or Agent: Jenni Trietsch  Title: Senior Accountant

For KCC Use ONLY
API # 15 - 20336.00.00
Conductor pipe required: None
Minimum surface pipe required: 300 feet per Alt. 0°
Approved by: RSP 3-8-03
This authorization expires: 7-18-04
(This authorization void if drilling not started within 6 months of effective date.)

Spud date: 10-2-99
Agent:

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

Remember to:
- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration 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 injecting salt water.
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: Rosewood Resources, Inc.
Lease: Pancake
Well Number: 2-10
Field: Goodland
Number of Acres attributable to well: 160
QTR / QTR / QTR of acreage: SW - NE - NE

Location of Well: County: Sherman
1209 feet from [ ] Line of Section
1217 feet from [X] Line of Section
Sec. 10 Twp. 7 S. R. 39 [ ] East [X] West

Is Section: [X] 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 plat must be attached: (CO-7 for oil wells; CG-8 for gas wells).