NOTICE OF INTENT TO DRILL

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

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

February 24, 2006

Expensed Spud Date: 2006

Operation:
Liquefied: 31406

License No.

Address: 2330 NW Willow Road

City/Zip Code: Coffeyville 67337

Contact Person: Robert W. Petzoldt

Phone: (316) 884-5934

Contractor's Name: Duke Drilling Company, Inc.

Well Number: 5629

Well Class: Type Development: Oil, Gas Storage, Gas, Oil, Exp.

Well Drilled For: Gas, Gas Storage, Oil, Gas, Oil, Exp.

If OWNED: Oil well information as follows:

Operator:

Well Name:

Original Completion Date:

Directional, Deviated or Horizontal well?:

No

False Vertical Depth:

Bottom Hole Location:

KCC DKT No.:

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 50-16, 50-17 and 49-18a.

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

1. The location of the well is not on a residential property.
2. The minimum amount of surface pipe as specified below, shall be set by circulating cement to the top of the formation.
3. The well is a deep oil, an agreement between the operator and the district office on plug depth and placement is necessary prior to drilling.
4. The appropriate district office will be notified before well is either plugged or production casing is cemented in.
5. If an ALTERATION to COMPLETION, production pipe shall be cemented from below any usable water to the formation.
6. Prior to Appendix B - Eastern Kansas surface testing order 1200.8777-C, and applicable to the KCC District 3 area, alterations to cementing must be completed within 90 days of the spud date or the well will be plugged. In all cases, modify district office prior to any cementing.

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

Date: February 12, 2005

Signature of Operator or Agent:

Title: President

Mail to: KCC - Conservation Division, 150 S. Market - Room 207B, Wichita, Kansas 67202
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

If the intended well is in a perforated or spaced field, please fully complete this side of the form. If the intended well is in a perforated 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 acreage and within 1 mile of the boundaries of the proposed acreage distribution unit for gas wells and within 1/4 mile of the boundaries of the proposed acreage distribution unit for oil wells.

API No. 15:  
Operator:  
Lease:  
Well Number:  
Field:  
Number of Acres attributable to well:  
QTR / QTR / QTR of acreage:

Location of Well:  
County:  
Starter:  
Ref from H:  
Ref from E:  
Line of Section:  
Sec:  
Twp:  
R.  
Lat.  
N.  
S.  
W.  
E.  

In Section:  
Regular or  
Irregular

If Section is Irregular, locate well from nearest corner boundary. Section corner used:

 Plat

(Show location of the well and shade attributable acreage for perforated 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 number in which you are using the descriptive plat by identifying section lines, i.e. 1 section 1 section with 8 surrounding sections.
2. The distance of the proposed drilling location from the town'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 perforated or spaced field a certificate of acreage distribution plat must be attached: (CS-7 for oil wells; CS-8 for gas wells).
February 15, 2006

Mr. Robert W. Packard
Prairie Resources, Inc.
2530 NW Willow Rd
Medicine Lodge, KS 67104

Re: Drilling Pit Application
Kimball Lease Well Ne. 4
SE/4 Sec. 25-31S-13W
Barber County, Kansas

Dear Mr. Packard:

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 from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (820) 225-8888 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 Hynens
Department of Environmental Protection and Remediation

cc: Steve Durrant
File

Conservation Division, Finney State Office Building, 130 S. Market, Room 2070, Wichita, KS 67202-2802
Voice 316.337.6200 Fax 316.337.6213 www.kcc.state.ks.us