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 Only

API # 15 - 267-270002-0000
Conductor pipe required
Minimum surface psi required 200
Approved by B.FJ 9-10-06
This authorization expires 9-10-06
(The authorization void if drilling not started within 6 months of effective date)

For KCJ USE ONLY

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Expected Spud Date: 3/07/06

OPERATOR: Licensed by 33583
Name: Admiral Bay (USA) Inc
Address: 14500 E Easter Ave, Ste. 1000
City/State/Zip: Garden City, KS 67846
Contact: Janet Johnson
Phone: 303-227-2016

CONTRACTOR: Licensed by 5786
Name: McGowan Drilling

Well Drilled For: Oil
Well Class: Moon Drilling
Type of Equipment: Oil rotary
Well No.: 05-07-17

Is R.W.O.: old well information as follows:
Original Completion Date: 0
Original Total Depth: 0

Directional, Deviated or Horizontal well?: Yes

KCC DKT: #

AFFIDAVIT

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

1. Notify for appropriate district office prior to spudding of well;
2. A copy of the spudding 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 calculating cement to the top; in all cases, surface pipe shall be set through all uncompacted materials plus a minimum of 20 feet into the underlying formation;
4. If the well is on the Landman, 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 below if either is plugged or production casing is set;
6. If an Alternate Completion, production shall be set from below the surface water to surface within 140 days of spudding. Pursuant to Appendix "F" - Eastern Kansas surface casing order #133,981-1, which applies to the KCC District 3 area, alternate casing must be completed within 30 days of the spudd date or the well shall be plugged. 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: 3/07/06
Signature of Operator or Agent: ____________________________
Title: Land Manager

Remember to:
- File 23F-N Application (or CDP-1) with Intent to Drill;
- File Completion Forms KCC-1 within 120 days of spudd date;
- File squeeze attribution plot according to field production orders;
- Notify appropriate district office 48 hours prior to working in the area;
- Submit plugging report (CP-4) after plugging is completed;
- Obtain written approval before disposing of injurion salt water;
- If this permit has expired (i.e., authorized expiration date) please check the box below and return the affidavit to the KCC.

Date: 2/10/06

WELL NOT DRILLED - PERMIT EXPIRED
Signature of Operator or Agent: ____________________________
Date: 2/10/06
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:        Admiral Bay (USA) Inc
Lease:          Ladd
Well Number:    6-27
Field:          Humboldt-Chantite
Number of Acres attributable to well: 80

QTR / QTR / QTR of acreage:  NE

Location of Well:  County:  Woodson

<table>
<thead>
<tr>
<th>Latitude (ft)</th>
<th>Longitude (ft)</th>
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<tbody>
<tr>
<td>2050</td>
<td></td>
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Is Section:  Regular  \[\checkmark\]  Irregular  \[\underline{\checkmark}\]

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: (CD-7 for oil wells;