NOTICE OF INTENT TO DRILL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

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

For KCC Use:

Effective Date: 12.20.03
District #: 1
SGA? Yes No

OPERATOR: Licensee: 30420
Name: V.J.I. Natural Resources Inc.
Address: 30-38 48th St.
City/State/Zip: Astoria, New York 11103
Contact Person: Jason Dinges
Phone: 785-625-8360

CONTRACTOR: Licensee: 33323
Name: Petromark Drilling, LLC

Well Drilled For: X Oil Enr Rec X infield X Mud Rotary
X Gas Storage Pool Ext. X Air Rotary
OWO X Disposal Wildcat X Cable
Seismic: # of Holes Other

Spot
NE. NE. NE. Sec. 4 Twp. 23 S.R. 17
X East
330 feet from (circle one) Line of Section
330 feet from (circle one) Line of Section
Is SECTION Regular Irregular?
(Note: Locate well on the Section Plat on reverse side)

County: Pawnee
Field Name: Garfield
Lease Name: Alexander
Well #: 1
Is this a Prorated/Spaced Field? Yes No
Target Formation(s): Viola
Nearest Lease or unit boundary: 330
Ground Surface Elevation: 2049 feet MSL
Water well within one-quarter mile: Yes No
Public water supply well within one mile: Yes No
Depth to bottom of fresh water: 120
Depth to bottom of usable water: 340
Surface Pipe by Alternate: 1 X 2
Length of Surface Pipe Planned to be set: 700
Length of Conductor Pipe required: none
Projected Total Depth: 4350
Formation at Total Depth: Viola
Water Source for Drilling Operations:
Well Farm Pond Other X
DWR Permit #: 20030288
(Note: Apply for Permit with DWR)
Will Cores be taken? Yes No
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: 12-11-03 Signature of Operator or Agent: Title: Agent

For KCC Use ONLY

API # 15 - 145 - 21488.00.00
Conductor pipe required None feet
Minimum surface pipe required 3600 feet per Alt. 1
Approved by: RJP 12.15.03
This authorization expires: 06.15.04
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: Agent:

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.

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, 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: V.J.I. Natural Resources Inc.
Lease: Alexander
Well Number: 1
Field: Garfield

Number of Acres attributable to well: __________________________
QTR / QTR / QTR of acreage: __________

Location of Well: County: Pawnee
------------------------------------- 330 feet from S / N (circle one) Line of Section
------------------------------------- 330 feet from E / W (circle one) Line of Section
Sec. 4 Twp. 23 S. R. 17
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.)

RECEIVED
DEC 12 2003
KCC WICHITA

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: (C0-7 for oil wells; CG-8 for gas wells).
December 15, 2003

Mr. Jason Dingus
V.J.I. Natural Resources, Inc.
30-38 48th St.
Astoria, New York 11103

Re: Drilling Pit Application
   Alexander Lease Well No. 1
   NE/4 Sec. 04-23S-17W
   Pawnee County, Kansas

Dear Mr. Dingus:

District staff has inspected the location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has instructed that there is to be lined working pits used at the location with fluids removed to an off-site haul off pit. Please complete the enclosed CDP-1, Surface Pond Application form for the haul off pit. This location will have to be inspected prior to approval of the haul-off pit application.

If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,

Kathleen Haynes
Environmental Protection and Remediation Department

cc: S Durrant