NOTICE OF INTENT TO DRILL

OPERATOR: Town Oil Company, Inc.
Address: 16205 West 287th St.
City/State/ZIP: Paola, Kansas 66071
Contact Person: Lester Town
Phone: 913-294-2125

CONTRACTOR: Company Tools

Spot: SE - NE - NE Sec. 11 Twp. 15 S. R. 20

Is SECTION Regular? Yes

County: Douglas
Lease Name: EARLY
Well #: 118D
Field Name: Baldwin

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

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 surface to 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: 3-25-04  Signature of Operator or Agent: Roberta Town

For KCC Use ONLY
API # 15 - 045-2128-00.00
Conductor pipe required: NONE
Minimum surface pipe required: 40 feet per All. x 3
Approved by: 15P-30-04
This authorization expires: 9-30-04
(This authorization void if drilling not started within 6 months of effective date)
Spud date: 4-4-04

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 ploration rules;
- 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: ________________________________
Lease: __________________________________
Well Number: ____________________________
Field: ___________________________________

Number of Acres attributable to well: ________________
QTR / QTR / QTR of acreage: ________________

Location of Well: County: ____________________
__________________________________________
feet from S / N (circle one) Line of Section:
__________________________________________
feet from E / W (circle one) Line of Section:
Sec. _______ Twp ___________ R ________
_________ [ ] East [ ] West

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.

EXAMPLE

SEWARD CO.

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. (CG-7 for oil wells; CG-8 for gas wells).