For KCC Use:

Effective Date: ______________________
District #: ______________________
SGA? Yes ☑ No ☐

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: 8/9/04

OPERATOR: License#: 31120
Name: Pelican Hill Oil & Gas, Inc.
Address: 1401 N. El Camino Real, Suite 207
City/State/Zip: San Clemente, CA 92672
Contact Person: Allen J. Gross
Phone: 949-498-2101

CONTRACTOR: License#: 30963
Name: Murfin Drilling Company, Inc.

Well Drilled For: Oil ☑ Gas ☐ Storage ☐ Disposal ☐ Seismic ☐ Other ☐ Enh Rec ☐ Infield ☐ Pool Ext. ☐ Air Rotary ☐ Mud Rotary ☐ Wildcat ☑ Cable ☐ Other ☐

Well Class: Oil ☑ Gas ☐ Storage ☐ Disposal ☐ Seismic ☐ Other ☐ Enh Rec ☐ Infield ☐ Pool Ext. ☐ Air Rotary ☐ Mud Rotary ☑ Wildcat ☐ Cable ☐ Other ☐

Type Equipment: Oil ☐ Gas ☑ Storage ☐ Disposal ☑ Seismic ☐ Other ☐ Enh Rec ☐ Infield ☐ Pool Ext. ☐ Air Rotary ☐ Mud Rotary ☑ Wildcat ☑ Cable ☐ Other ☐

Well Completion Date: ______________________
Well Total Depth: ______________________
Directional, Deviated or Horizontal wellbore? Yes ☑ No ☐
If Yes, true vertical depth: ______________________
Bottom Hole Location: ________________ KCC DKT: ______________________

If OWWO: old well information as follows:
Operator: ______________________
Well Name: ______________________
Original Completion Date: ______________________
Original Total Depth: ______________________

Water well within one-quarter mile: Yes ☑ No ☐
Public water supply well within one mile: Yes ☑ No ☐
Depth to bottom of fresh water: ______________________
Depth to bottom of usable water: ______________________

Target Formation(s): Morrow

Nearest Lease or unit boundary: 450'
Ground Surface Elevation: Est. 3762

Surface Pipe by Alternate: 1 ☑ 2 ☐
Length of Surface Pipe Planned to be set: 380' Min
Length of Conductor Pipe required: none
Projected Total Depth: 5250'
Formation at Total Depth: ______________________
Water Source for Drilling Operations: Well ☑ Farm Pond ☐ Other ☐
DWR Permit #: ______________________

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 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.

Or pursuant to Appendix "B" - Eastern Kansas surface casing order #139,891-0, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud 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: July 30, 2004
Signature of Operator or Agent: ______________________
Title: Agent for Operator

Remember to:
- File Drift 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 of or injecting salt water.
- If this permit has expired (See: authorized expiration date) please check the box below and return to the address below.

Well Drilled: Permit Expired
Signature of Operator or Agent: ______________________
Date: ______________________

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