For KCC Use: 9.29.04

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: October 11, 2004

OPERATOR: License# 5010
Name: Knighton Oil Company, Inc.
Address: 221 S. Broadway, Suite 710
City/State/Zip: Wichita, Kansas 67202
Contact Person: Earl M. Knighton, Jr.
Phone: 316-264-7918

CONTRACTOR: License# 30141
Name: Summit Drilling Company

Well Drilled For: Oil
Well Class: Mud Rotary
Type Equipment: Other

If OWWO: old well information as follows:
Operator: Summit Drilling Company
Well Name: Picolet
Original Completion Date: Original Total Depth: RECEIVED
Directional, Deviated or Horizontal wellbores: No

Bottom Hole Location:
KCC DKT: SEP 2 4 2004

CONSERVATION DIVISION
WICHITA, KS

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 #138,981-C, 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: September 24, 2004
Signature of Operator or Agent:

For KCC Use ONLY
API #15: 127-205 76-00 00
Conductor pipe required: None
Minimum surface pipe required: 140 feet per Ait.
Approved by: RGE 9-24-04
This authorization expires: 3-24-05
(THIS AUTHORIZATION VOID IF DRILLING NOT STARTED WITHIN 6 MONTHS OF EFFECTIVE DATE)
Spud date: Agent:

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: Knighton Oil Company, Inc.
Lease: Picolet
Well Number: 1
Field: Wildcat
Number of Acres attributable to well:
QTR / QTR / QTR of acreage: NE. NE. SE

Location of Well: County: Morris
2310 feet from N / ✓ S Line of Section
330 feet from ✓ E / W Line of Section
Sec. 2 Twp. 16 S. R. 7 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.

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).

RECEIVED
KANSAS CORPORATION COMMISSION
SEP 2 4 2004
CONSERVATION DIVISION
WICHITA, KS

EXAMPLE

SEWARD CO.