KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well drilling. Must be filed seven (7) days prior to commencing well drilling.

APR 15's 5 & 50's 8

Expected Spud Date: February 17, 2005

OPERATOR: Licensee: 5046
Name: Raymond Oil Company, Inc.
Address: P.O. Box 48788
City/State/Zip: Derby, Kansas 67501
Contact Person: Clarice Sandberg
Phone: (316) 267-6214

CONTRACTOR: Licenses: 5299
Name: Dovat Drilling Co., Inc.

Well Drilled For: Oil
Well Class: Producing
Type Equipment: Oil
On DWO: 1
Well No.: 2
Hand Drilled: Yes
Oil Storage: Poole E.
An Rotary: No

Well Located In: Kansas
County: Brown
Lease Name: Dugan Trust B
Wells: 2
Field Name: No
Note: Locate all wells on the Section Plan (on file with ROSE)
Target Formation: Condi. LKC & Miss.

Nearest Legal or Unit Boundary: 1855
County Survey Elevation: 1859

Water well within one-quarter mile: Yes
Public water supply well within one mile: No
Depth to bottom of fresh water: 100'

Surface Pipe by Alternate: Yes
Length of Surface Pipe Planned to be set: 250'

Requested Depth: 1000'
Formation to Total Depth: 1100'

Water Source for Drilling Operation: None
Formation: Salt
Well: No
Train Permit: 12000

Drill Permit: Yes
Contractor will file permit

KCC DKT #: 1032005

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 sinking 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 to be drilled, 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 COMPISTION, production well shall be cemented from the base any usable water to surface within 120 days of spud date
7. Or pursuant to Appendix "D" - Eastern Kansas surface casing only 11215912, which applies to the KCC District 3 area, alternates I & II cementing must be completed within 30 days of the final date of the water analysis.

I hereby certify that the statements made herein are true and correct.

Signature of Operator or Agent:

Date: 1/28/2005

KCC WICHITA

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

Remember to:
- File Dill Pit Application (Form CPR-1) with intent to Drill;
- File Completion Form (ACD) within 120 days of spud date;
- File acreage assignment with the far plan prior to onset of plugging; Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (SP-4) after plugging is completed;
- Obtain Well Dill Permit approved 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 Not Dill - Permit Expired

Signature of Operator or Agent:

Date: 1/28/2005
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 1/4 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: Raymond Oil Company, Inc.
Lease: Ozone Tree Br
Well Number: 2

Location of Well:
County: Barber
Location:

<table>
<thead>
<tr>
<th>Line of Section</th>
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<tbody>
<tr>
<td>Line of Section</td>
<td>E</td>
<td>W</td>
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<tr>
<td>Sec. 6</td>
<td>Trig. 32</td>
<td>S.</td>
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Is Section:

- Regular or
- Irregular

If Section is Irregular, locate well from nearest corner boundary.
Section corner used:

- NE
- NW
- SE
- SW

Number of Acres attributable to well:

| GTR / QTR / QTR of acreage | C | NE | 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

JAN 28 2005

KCC WICHITA

EXAMPLE

DEMAND CO.

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 north / 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, CD-8 for gas wells).

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3250
January 31, 2005

Mr. Clarke Sandberg
Raymond Oil Company, Inc.
PO Box 48788
Wichita, KS 67201

RE: Drilling Pit Application
Dugan Trust B Lease Wef. No. 2
SW/4 Sec. 06-32S-13W
Barber County, Kansas

Dear Mr. Sandberg:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed without slots, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again as soon as practical after drilling operations have ceased. Please keep the pits away from the draw.

If production casing is set all completion fluids shall be removed on a daily basis.

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 when the fluids have been removed. Also please file the enclosed COP-5 form, Surface Pond Waste Transfer, within 30 days of fluid removal.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill. If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,

Kathy Haynes
Environmental Protection and Remediation Department

cc: S Durrant