NOTICE OF INTENT TO DRILL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

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

Effective Date: 5-24-05

Expected Spud Date: June 1, 2005

OPERATOR: Permit 946M and Gas, Inc.
Name: Larry A. Votier, NPI 120
Contact Person: Paul Brangan
Phone: (913) 454-7378

CONTRACTOR: 33557
Name: SKYT Drilling

Oil-Well Drilled For:

- Gas
- Enr Rec
- Storage
- Gas Well
- Surface
- Total
- Other

Well Class:

- Oil
- Storage
- Pool Ext
- Air Rotary
- Cabie
- Other

If COWNR: old well information as follows:

Operator:

- Well Name:
- Origin: Completion Date
- Original Total Depth:
- Directional, Geothermal or Horizontal well?
- Yes
- No

Well Name:

If Yes, true vertical depth:

Bottom Hole Location:

- KCC DRT

Spot Notice: SW

- Sec. 22
- T. 21 R. 21
- S. Line of Section
- W. Line of Section

Is Section:

- Regular
- Irregular

Is this a Proposed/Spud Field:

- Yes
- No

Target Formation:

- Squaw/Barberville

Nearest Lease or unit boundary:

- 330

Ground Surface Elevation:

- 355

Water well within one-quarter mile:

- Yes
- No

Public water supply well within one mile:

- Yes
- No

Depth to bottom of fresh water:

- 355

Surface Pipe at Alteration:

- 2

Length of Surface Pipe planned to be set:

- 20

Length of Producer Pipe required:

- None

Projected total depth:

- 800

Formation at Total Depth:

- Barberville

Water Supply for Drilling Operations:

- Well
- Farm Pond
- Other

Drill Permit: [Note: Apply for Permit with DNR]

Will Corr be taken:

- Yes
- No

When:

- Date

Received by:

- KCC - Conservation Division, 300 S. Market - Room 218, Wichita, Kansas 67202

APR # 15: 003-24-282-06-08

Conductor pipe:

- None

Minimum surface pipe:

- 10

Approved by: 11-19-05

This authorization expires:

- 11-19-05

Spud date:

- Agent

Mail to: KCC - Conservation Division, 300 S. Market - Room 218, Wichita, Kansas 67202

Signatures of Operator or Agent:

Date: May 18, 2005

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 starting well.
2. A copy of the approved notice of intent to drill shall be posted in 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 in all unconsolidated materials a minimum of 20 feet into the underlying formation.
4. If the well is a 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 shall be notified before well is either plugged or abandoned.
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 413,591-0, which applies to the KCC District 3 area, all cementing must be completed within 30 days of the spud date or the well will be plugged. notifying 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.

For KCC Use Only:

- File DTH Application (form CDP-11) with intent to Drill.
- File Completion Form ACO-1 within 120 days of spud date.
- File pressure distribution plot according to field pressures quoted.
- Notify appropriate district office prior to well after or re-entry.
- Submit plugging report (CR-4) after plugging is completed.
- Obtain written approval before disposing or shipping well salt.

If this permit has expired (file authorized expiration date) please check the box below and return to the address below.

- Well Not Drilled - Permit Expired

Expiration Date: 11-19-05

Signature of Operator or Agent:

Date: May 18, 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 not 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.

AP: 15
Operator: Petroleum Oil and Gas, Inc.
Lease: Bailey-Kreoller
Well Number: H4
Field: Selma

Number of Acres attributable to well:
QTR / QTR / QTR of average: NW, SW, SE

Location of Well: County: Anderson

<table>
<thead>
<tr>
<th>Location (W)</th>
<th>Line of Section</th>
<th>Line of Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>49S</td>
<td>Sec. 22</td>
<td>Twp. 21</td>
</tr>
<tr>
<td>14W</td>
<td>21 S.</td>
<td>21 E.</td>
</tr>
<tr>
<td>15E</td>
<td>6 N.</td>
<td>6 W.</td>
</tr>
<tr>
<td>18E</td>
<td>1 S.</td>
<td>1 W.</td>
</tr>
</tbody>
</table>

Is Section: □ Regular or □ Irregular

If Section is irregular, locate well from nearest corner boundary.
Section corner trig: □ NE □ NW □ SE □ SW

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. 2 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 lessee 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).