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

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

Expected Spud Date: August 9, 2005

OPERATOR: Licensee: McCray Petroleum Corporation
Name: Address: 800 E. Central, Suite #330
City/State: Wichita, Kansas 67206
Contact Person: Scott Humpel
Phone: 316-263-2373

CONTRACTOR: Licensee: 6039
Name: L.D. Drilling
Contractor #:

Well Drilled For: Water Well
Well Class: Water Well
Type of Equipment: Mud Rotary
All Rotary
Drill Bit: All Rotary
Disposal: 2707
Surface Elev.: 22315
Wells: 2210
Water well within one-quarter mile
Public water supply well within one mile
Above water well
Distance to bottom of fresh water
Depth to bottom of usable water
Surface Flow by Alternation
Length of Surface Pipe Planned to be set
Production Formation Target:
Mississippian
Wet Source for Drilling Operations:
Well # Farm Pond
DWR Permit #:
DWR Permit Expiration:
(Not: Apply for Permit with DWR)

Will Core be taken?
Yes No
If Yes, propose zone

AFIDAVIT

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 left by circulating cement to the top, in all cases surface pipe shall be set through all noncondensable-inhibits plus 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 pluging.
5. The appropriate district office will be notified before well is either plugged or production casing is cemented.
6. If an ALTERNATE 1 COMPLETION, production pipe shall be cemented from the top any usable water to surface within 120 days of spud date.
7. In all cases, NOTIFY district office prior to any pumping.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Signature of Operator or Agent:

Scott Humpel
Title: Engineering/Production Mgr.

Date:

July 29, 2005

Remember to:

- File Drill Plan Application (form OCP-4) with Intent to Drill;
- File Completion Form ACC-1 within 120 days of spud date;
- File acreage allocation plat according to field production orders;
- Notify appropriate district office 48 hours prior to wellover or re-entry;
- Submit plugging report (CP-4) after plugging is completed;
- Obtain written approval before disposing of 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 proected or spaced field.

If the intended well is in a protected or spaced field, please fully complete this side of the form. If the intended well is in a proected 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: McCoy Petroleum Corporation
Lease: FOX "B"
Well Number:

Twp:
N:\:

Number of Acres attributable to well: NE - NE - NW
QTR / QTR / QTR of acreage: NE - NE - NW

Location of Well: County: Edwards
Line of Section feet from Line of Section
feet from Line of Section
bec 9 Twp 26 S. 15

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 show acreage attributable to spaced or protected wells)
(Show footages 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 the line or lease are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 5 surrounding sections, 4 sections, etc.,
2. The distance of the proposed drilling location from the section’s south, north, east, or west boundary line to the nearest lease or unit boundary line.
3. The distance to the nearest lease or unit boundary line.
4. If proposed location is located within a protected or spaced field a certificate of acreage attribution plat must be attached. (CG-7 for oil wells; CG-8 for gas wells).
August 2, 2005

Mr. Scott Hampel
McCoy Petroleum Corporation
8080 E. Central Ste 300
Wichita, KS 67206

RE: Drilling Pit Application
Fox & Lease Well No. 1-9
NW/4 Sec. 09-29S-19W
Edwards County, Kansas

Dear Mr. Hampel:

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.

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. Please file form CDP-5, Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site: www.kcc.state.ks.us/conservation/forms.

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

Conservation Division, Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802
Voice 316.337.6200 Fax 316.337.6211 www.kcc.state.ks.us