NOTICE OF INTENT TO DRILL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

For KCC Use:

Effective Date: 10-29-05

SGA? Yes

Expected Spud Date: 11/03/05

OPERATOR:
Name: Rayco Oil & Gas, LLC
Address: 1588 Saurau Rd.
City/State/Zip: Larned, KS 67550
Contact Person: Kenneth Laymon
Phone: 722-282-395

CONTRACTOR:
Name: Kelsy Drive Drilling Co., Inc

Well Drilled For: Oil
No. of Wells: 1

Well Class: Initial
Type Equipment: Mud Rotary

ON-GROUND:
Disposal: Yes
Well Drilled: Yes

Surface: 4 holes
Other: No

If ON-GROUND well information as follows:
Operator: Rayco Oil & Gas, LLC
Well Name: KDC-1
Original Completion Date: 12/08/05
Original Total Depth: 1100 ft

Dimensional, Deviated or Horizontal wellbore? No
Yes

Vertical Depth: 1100 ft
Yield:

Bottom Hole Location:

KCC DKT #: 02-22280

SPOT #: 11/03/05

AM 395

Start from
feet from

East
West
Line of Section
W Line of Section

In SECTION: Regular
Irregular

(Note: Listing may vary on the Section Plat on reverse side)

County: Levy
Lease Name, Blt: Levy 52-05
Field Name: Southern Oil Unit
Is this a Spurred / Spaced Field: Yes
Target Formation(s): Spurfield

Nearest Lease or unit boundary:

Ground Surface Elevation: 1795

Water well within one-quarter mile:
Yes
No

Public water supply within one mile:
Yes
No

Depth to bottom of fresh water:
129 ft

Dart to bottom of usable water:

Surface Pipe by Alternate:
Yes
No

Length of Surface Pipe Planned to be Spurred:

Length of Conductor Pipe Planned to be Spurred:

Projected Total Depth: 1100 ft

Formation at Total Depth:

Water Source for Drilling Operations:

Wells to be Spurred:

Well Permits:

DDM Permit #: 2154

(Not: Affidavit to Permit with DDM)

Well Costs be Billed:

Yes
No

If Yes, proposed zone:

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KCC WICHITA

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and abandonment of this well will comply with K.S.A. 58-17a 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 drilling cement to the top; in all cases surface pipe shall be set through an uncontaminated thief zone 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 and replacement is necessary prior to spudding;

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 spudding.

Or pursuant to Appendix B, Eastern Kansas surface casing order #135,891-G, 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.

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

Signature of Operator or Agent:

Date: 10-29-05

Mail to:

KCC - Conservation Division, 130 S. Market - Room 2218, 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 until for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution until for oil wells.

API No. 15:
Operator: Cameron Oil, LLC
Lease: Bear No.
Well Number: 110-65
Field: Melbourne Field - Lettow
Number of Acres attributable to well:
QTR / QTR / QTR of acreage: NW SE NW

Location of Well: County: Olney
3730 feet from N / V S Line of Section
3865 feet from E / V W Line of Section
Sec: 14 Tap: 25 B R: 76

In Section: Regular or Irregular
If Section is irregular, locate well from nearest corner boundary.
Section corner used: 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 shading section lines, i.e. 1 section, 1 section, with 6 surrounding sections, 6 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. (CD-7 for oil wells; CD-8 for gas wells.)