

CARD MUST BE TYPED

State of Kansas

CARD MUST BE SIGNED

EFFECTIVE DATE 1-26-04

NOTICE OF INTENTION TO DRILL HUGOTON INFILL

SGA-NO

Starting Date 01-26-2004 month day year

API Number 15 - 175-21916-00-00

OPERATOR: License # 08967 Name BARBOUR ENERGY CORPORATION Address P.O. BOX 13480 City/State/Zip OKLAHOMA CITY, OK 73113-1480 Contact Person J. WAYNE BARBOUR Phone (405) 848-7671

AP NE NE SW IS SECTION x REGULAR IRREGULAR SE. Sec. 20. Twp. 33. S, Rg. 31. W 1250 Ft. from South Line of Section 1500 Ft. from East Line of Section

CONTRACTOR: License # 5382 Name CHEYENNE DRILLING City/State GARDEN CITY, KS

NOTE: Attach acreage attribution plat locating both Chase (Hugoton) wells Total number of acres attributed to unit 640

Well Drilled as: X New Recompletion OWWO Projected Total Depth 2850 feet Formation CHASE-KRIDER

Nearest producing well from same common source of supply 3828 feet Nearest lease or unit boundary line 1250 feet County SEWARD

If OWWO or Recompletion: old well info as follows: Operator Well Name Comp. Date Old Total Depth

Lease Name HILLARY Well # 2 Ground surface elevation 2748 feet MSL Depth to bottom of fresh water 400 450 Depth to bottom of usable water 480 580

I certify that well will comply with K.S.A. 55-101, et seq., plus eventually plugging hole to KCC specifications. Date 01/15/2004 Signature of Operator or Agent Title PRESIDENT

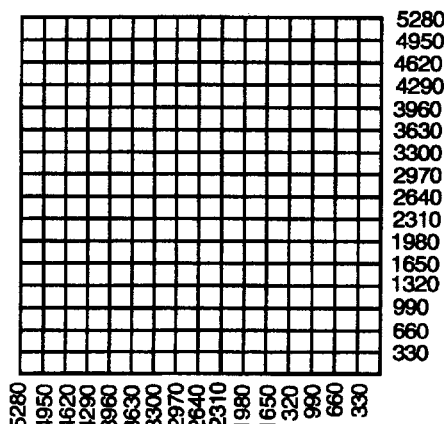
Surface pipe by Alternate: 1x 2 Surface pipe planned to be set 550 600 MIN Water Source for Drilled Operations: (HAULING WATER) DWR Permit #: well farm pond X other

For KCC Use: Conductor Pipe Required NONE feet; Minimum Surface Pipe Required 600 feet per Alt 1 This Authorization Expires 7-21-04 Approved By RJP 1-21-04

RECEIVED JAN 20 2004 KCC WICHITA

Must be filed with K.C.C. five (5) days prior to commencing well This card void if drilling not started within six (6) months of date received by K.C.C.

A Regular Section of Land 1 Mile = 5,280 Ft.



- Important procedures to follow: 1. Notify District office before setting surface casing. 2. Set surface casing by circulating cement to the top. 3. File completion forms ACO-1 with K.C.C. within 120 days of well spud date... 4. Notify District office 48 hours prior to old well workover or re-entry. 5. Submit plugging report (CP-4) to K.C.C. after plugging is completed. 6. If an alternate 2 completion, cement in the production pipe from below any useable water to surface within 120 days of spud date.

State Corporation Commission of Kansas Conservation Division 130 S. Market Room 2078 Wichita, Kansas 67202-1212 (316) 337-6231