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For KCC Use:

Effective Date: 11.23.03

District # 4

SGA? ☐ Yes ☒ No

KANSAS CORPORATION COMMISSION

OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

NOV 17 2003

Form C-1

December 2002

Form must be Typed

Form must be Signed

Blanks must be Filled

Expected Spud Date December 1, 2003

month day year

OPERATOR: License# 32511

Name: Imperial American Oil Corporation

Address: 303 N Carroll Blvd #214

City/State/Zip: Denton TX 76201

Contact Person: Hal Porter

Phone: 940-483-9148

CONTRACTOR: License# 30606

Name: Murfin Drilling Company, Inc.

Well Drilled For:

Well Class:

Type Equipment:

<input checked="" type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input type="checkbox"/> Infield	<input checked="" type="checkbox"/> Mud Rotary
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input checked="" type="checkbox"/> Pool Ext.	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat	<input type="checkbox"/> Cable
<input type="checkbox"/> Seismic; # of Holes	<input type="checkbox"/> Other		
<input type="checkbox"/> Other			

If OWWO: old well information as follows:

Operator:

Well Name:

Original Completion Date: Original Total Depth:

Directional, Deviated or Horizontal wellbore?

☐ Yes ☐ No

If Yes, true vertical depth:

Bottom Hole Location:

KCC DKT #:

Spot

NE NE NE Sec. 31 Twp. 12S S. R. 16 ☐ East ☒ West330 feet from ☒ N / ☐ S Line of Section330 feet from ☒ E / ☐ W Line of SectionIs SECTION ☒ Regular ☐ Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: Ellis

Lease Name: Verna Unit

Well #: 31-1

Field Name: Windholz

Is this a Prorated / Spaced Field?

☐ Yes ☒ No

Target Information(s): LKC, ARB

Nearest Lease or unit boundary: 330'

Ground Surface Elevation: 2070 approx feet MSL

Water well within one-quarter mile:

☐ Yes ☒ No

Public water supply well within one mile:

☐ Yes ☒ No

Depth to bottom of fresh water: 180

Depth to bottom of usable water: 800 266

Surface Pipe by Alternate: ☒ 1 ☐ 2

Length of Surface Pipe Planned to be set: 900

Length of Conductor Pipe required: None

Projected Total Depth: 3800

Formation at Total Depth: Arbuckle

Water Source for Drilling Operations:

☐ Well ☐ Farm Pond Other: X

DWR Permit #:

(Note: Apply for Permit with DWR ☐)

Will Cores be taken?

☐ Yes ☒ No

If Yes, proposed zone:

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 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 circulating 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 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 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 spud date. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,891-C, 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. **In all cases, NOTIFY 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

Date: November 13, 2003

Signature of Operator or Agent:

Title: President

For KCC Use ONLY

API # 15 - 051-25269-00-00

Conductor pipe required NONE feet

Minimum surface pipe required 880 feet per Alt. ①

Approved by: RJP 11-18-03

This authorization expires: 5-18-04

(This authorization void if drilling not started within 6 months of effective date.)

Spud date: Agent:

Remember to:

- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed;
- Obtain written approval before disposing 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 Drilled - Permit Expired

Signature of Operator or Agent:

Date:

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

31 12 16-3

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KCC WICHITA

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 unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for oil wells.

API No. 15 - _____

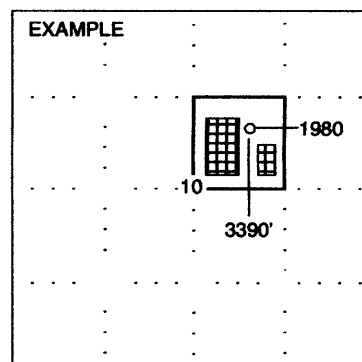
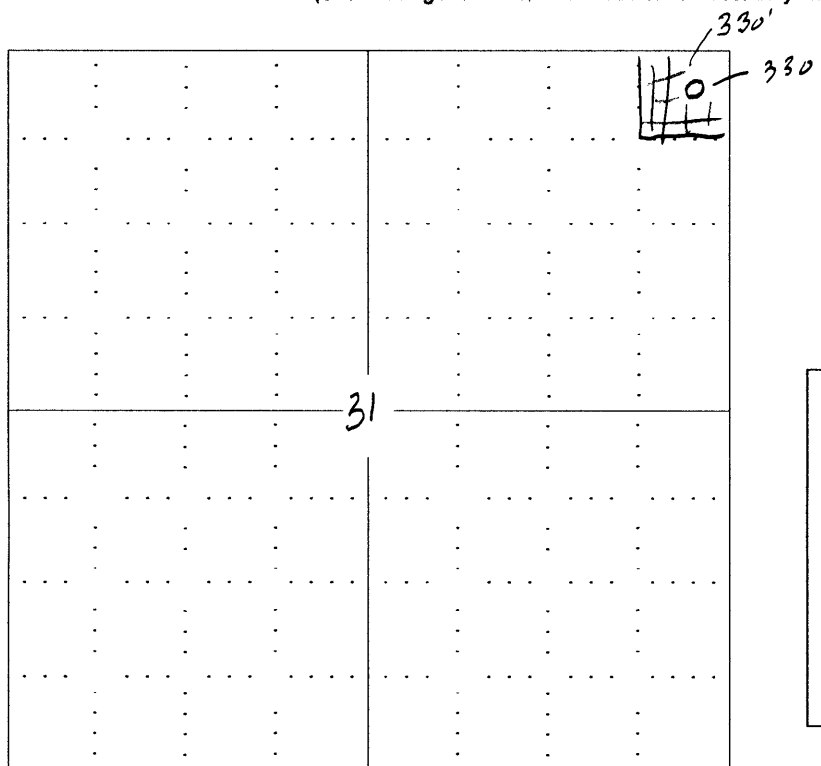
Operator: Imperial American Oil CorporationLease: Verna UnitWell Number: 31-1

Field: _____

Number of Acres attributable to well: _____

QTR / QTR / QTR of acreage: NE - NE - NELocation of Well: County: Ellis330 feet from ☒ N / ☐ S Line of Section330 feet from ☒ E / ☐ W Line of SectionSec. 31 Twp. 12S S. R. 16 ☐ East ☒ WestIs 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 shade attributable acreage for prorated or spaced wells.)**(Show footage 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 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 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: (CO-7 for oil wells; CG-8 for gas wells).