

CARD MUST BE TYPED

SGA - NO

State of Kansas

CARD MUST BE SIGNED

NOTICE OF INTENTION TO DRILL HUGOTON INFILL

EFFECTIVE DATE Upon approval

KCC DIST. 1

Starting Date Upon Approval 2-16-04 month day year

API Number 15 - 093 21750-00-00

OPERATOR: License # 32864 Name XTQ Energy, Inc. Address 210 Park Avenue, Suite 2350 City/State/Zip Oklahoma City, OK 73102 Contact Person Stephanie L. Beadnell Phone 405-319-3236

CONTRACTOR: License # 33375 Name Cheyenne Drilling LP City/State Garden City, KS Well Drilled as: X New Recompletion OWWO Projected Total Depth 2820' feet Formation Chase

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

IS SECTION X REGULAR IRREGULAR C NW Sec. 15 Twp. 23 S, Rg. 37 W 1320' FNL Ft. from South Line of Section 1320' FWL Ft. from East Line of Section

NOTE: Attach acreage attribution plat locating both Chase (Hugoton) wells Total number of acres attributed to unit 640 Nearest producing well from same common source of supply 1320' feet Nearest lease or unit boundary line 1320' feet County Kearny Lease Name Sauer "B" Well # 11-15 Ground surface elevation 3274' feet MSL Depth to bottom of fresh water 300' Depth to bottom of usable water 820' Surface pipe by Alternate: 1 2 X Surface pipe planned to be set 320' Water Source for Drilled Operations: DWR Permit #: well farm pond X other

I certify that well will comply with K.S.A. 55-101, et seq., plus eventually plugging hole to KCC specifications. Date August 5, 2004 Signature of Operator or Agent Stephanie Beadnell Title Secretary (Haul In.)

For KCC Use: Conductor Pipe Required NONE feet; Minimum Surface Pipe Required 340 feet per Alt. 2 This Authorization Expires 2-16-05 Approved By RJP 8-16-04

9/95

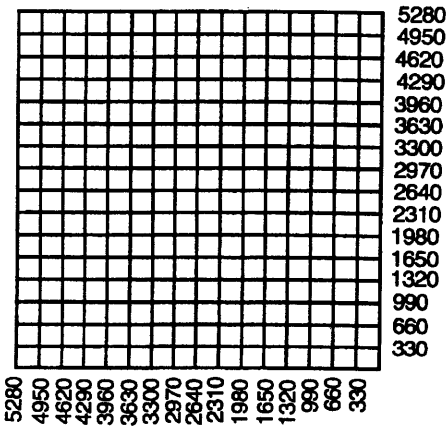
RECEIVED KANSAS CORPORATION COMMISSION

AUG 09 2004

CONSERVATION DIVISION WICHITA, KS

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, following instructions on ACO-1, side 1, and including copies of wireline logs.
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

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