

For KCC Use:
 Effective Date: 11-23-04
 District # 4
 SGA Yes No

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION

Form C-1
 September 1999
 Form must be typed
 Form must be signed
 All blanks must be filled

NOTICE OF INTENT TO DRILL

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

Expected Spud Date: November 22 2004
 month day year
 Operators License: 32959
 Name: Deep Rock Exploration, Inc.
 Address: 1010 Road 62
 City/State/Zip: Goodland, Kansas 67735
 Contact Person: Ross R. McGuckin
 Phone: (785) 899-7060

Contractor: License # 33445
 Name: Coil Tubing Solutions, 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"/> Gas	<input type="checkbox"/> Storage	<input checked="" type="checkbox"/> Mud Rotary
<input type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input checked="" type="checkbox"/> Pool Ext.
<input type="checkbox"/> Seismic;	<u> </u> # of Holes	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> Other		<input type="checkbox"/> Cable
		<input type="checkbox"/> Other

If OWWO: old well information as follows:

Operator: _____
 Well Name: _____
 Original Completion Date: _____ Original Total Depth: _____
 Directional, deviation or Horizontal wellbore? Yes No
 If Yes, true vertical depth _____
 Bottom Hole Location: _____
 KCC DKT #: _____

Spot East
 SE-SE-NE Sec. 3 Twp. 9S R. 41W West
2,310' feet from S / (circle one) Line of Section
330' feet from W (circle one) Line of Section
 Is Section Regular / Irregular?
 (Note: Locate well on the section plat on reverse side)
 County: Sherman
 Lease Name: S.Q. I. Farms, Inc. Well #: 2
 Field Name: _____
 Is this a Prorated / Spaced Field? Yes No
 Target Formation (s): Cheyenne Sandstone
 Nearest Lease or unit boundary: 330'
 Ground Surface Elevation: 3,783.3 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: 300'
 Depth to bottom of usable water: 300'
 Surface Pipe by Alternate: 1 2
 Length of Surface pipe planned to be set: 350'
 Length of Conductor pipe required: NONE
 Projected total Depth: 3,000'
 Formation at total Depth: Cheyenne Sandstone ?
 Water source for Drilling Operations:
 Well _____ Farm Pond _____ Other
 DWR Permit #: _____
 (Note: Apply for Permit with DWR)
 Will Cores be taken? Yes No
 If Yes, proposed zone: _____

CONSERVATION DIVISION
WICHITA, KS

NOV 15 2004

RECEIVED
KANSAS CORPORATION COMMISSION

AFFIDAVIT

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 set by circulating cement to top; in all cases surface pipe shall be set, through all unconsolidated materials plus a minimum of 20 feet into 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 plugging;
5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
6. If ALTERNATE II COMPLETION, production pipe shall be cemented from below and any usable water to surface within 120 days of spud date. 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: 11/15/2004 Signature of Operator or Agent [Signature] Title: PRESIDENT

FOR KCC Use ONLY

API # 15- 181-20366-0000

Conductor pipe required NONE, feet
 Minimum surface pipe required 350 feet per Alt. 1

Approved By: RJR 11-18-04

This authorization expires: 5-18-05
 (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.

3
9
410

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

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

November 18, 2004

Mr. Ross R. McGuckin
Deep Rock Exploration, Inc.
1010 Road 62
Goodland, KS 67735

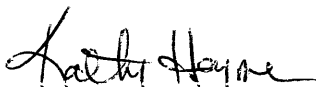
RE: Drilling Pit Application
SQI Farms Lease Well No. 2
NE/4 Sec. 03-09S-41W
Sherman County, Kansas

Dear Mr. McGuckin:

This office has been informed that steel pits are to be used at this location. Please inform the Commission in writing as to which disposal well you will utilize to dispose of the contents in the steel pits and the amount of fluid which will be disposed.

Should a haul-off pit be necessary, please complete the enclosed CDP-1. This location will have to be inspected prior to approval of the haul-off pit application.

Sincerely,



Kathy Haynes

Environmental Protection and Remediation Department

cc: H Deines