

For KCC Use: 3-20-05
 Effective Date: _____
 District #: 2
 SGA? Yes No

**KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION
 NOTICE OF INTENT TO DRILL**

Form C-1
 December 2002
**Form must be Typed
 Form must be Signed
 All blanks must be Filled**

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

Expected Spud Date 03/23/05
 month day year

Ap 100's & 180' w of
 Spot SW NE NE Sec. 31 Twp. 29 S. R. 8 East West
 1090 feet from N / S Line of Section
 1178 feet from E / W Line of Section
 Is SECTION Regular Irregular?

OPERATOR: License# 3067 (8-30-05)
 Name: Molitor Oil, INC
 Address: 9517W 80 Ave.
Spivey, KS 67142
 City/State/Zip:
 Contact Person: Mark Molitor
 Phone: 620-243-6773

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

County: Kingman
 Lease Name: Cross Well #: 2
 Field Name: Spivey-Grabs-Basil

CONTRACTOR: License# 5142 (6-30-05)
 Name: Sterling Drilling Co.

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Swope, Hertha

Nearest Lease or unit boundary: 1090 ft. N.

Well Drilled For: Well Class: Type Equipment:
 Oil Enh Rec Infield Mud Rotary
 Gas Storage Pool Ext. Air Rotary
 OWWO Disposal Wildcat Cable
 Seismic; # of Holes Other
 Other

Ground Surface Elevation: 1562 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: 50-100

Depth to bottom of usable water: 180 ft.

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: Minimum 200 ft.

Length of Conductor Pipe required: None

Projected Total Depth: 3890

Formation at Total Depth: Hertha

Water Source for Drilling Operations:
 Well Farm Pond Other _____

DWR Permit #: 20040235

(Note: Apply for Permit with DWR)

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: RECEIVED

Bottom Hole Location: KANSAS CORPORATION COMMISSION

KCC DKT #: MAR 14 2005

Will Cores be taken? Yes No

If Yes, proposed zone: _____

CONSERVATION DIVISION: WICHITA, KS 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: 03/14/05 Signature of Operator or Agent: [Signature] Title: Geologist

For KCC Use ONLY
 API # 15 - 095-21955-0006
 Conductor pipe required NONE feet
 Minimum surface pipe required 200 feet per Alt. 1
 Approved by: RJP 3-15-05
 This authorization expires: 9-15-05
 (This authorization void if drilling not started within 6 months of effective date.)
 Spud date: _____ Agent: _____

Remember to:

- File Drill Pit Application (form GDP-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
29
8w

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: Molitor Oil, INC
 Lease: Cross
 Well Number: 2
 Field: Spivey-Grabs-Basil
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: SW - NE - NE

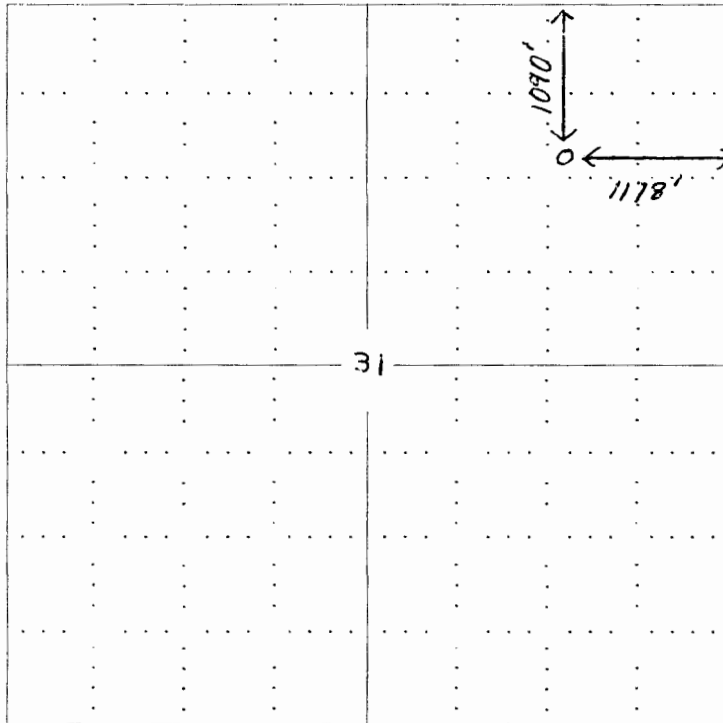
Location of Well: County: Kingman
1090 feet from N / S Line of Section
1178 feet from E / W Line of Section
 Sec. 31 Twp. 29 S. R. 8 East West

Is Section: Regular or Irregular

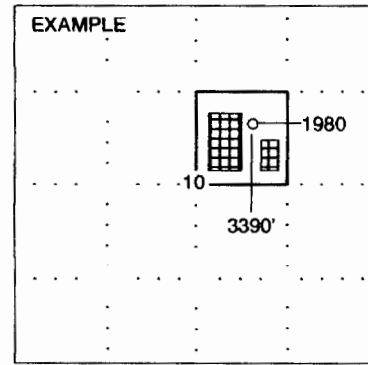
If Section is Irregular, locate well from nearest corner boundary.
 Section corner used: NE NW SE SW

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.)*



RECEIVED
 OAS CORPORATION COMMISSION
 MAR 14 2005
 CONSERVATION DIVISION
 WICHITA, KS



SEWARD CO.

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).

KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR
BRIAN J. MOLINE, CHAIR
ROBERT E. KREHBIEL, COMMISSIONER
MICHAEL C. MOFFET, COMMISSIONER

March 15, 2005

Mr. Mark Molitor
Molitor Oil, Inc.
9517W 80 Ave.
Spivey, KS 67142

RE: Drilling Pit Application
Cross Lease Well No. 2
NE/4 Sec. 31-29S-08W
Kingman County, Kansas

Dear Mr. Molitor:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed without slots, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit within 72 hours of drilling completion.

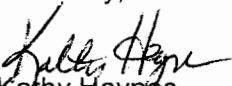
If production casing is set all completion fluids shall be removed on a daily basis.

The fluids should be taken to an authorized disposal well. Please call the District Office at (316) 630-4000 when the fluids have been removed. Also, please file the enclosed CDP-5 form, Surface Pond Waste Transfer within 30 days of fluid removal.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill.

If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,


Kathy Haynes

Environmental Protection and Remediation Department

cc: Doug Louis