

For KCC Use: 8-8-04
 Effective Date: _____
 District # 4
 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 August 2004
month day year

Spot 80'S & 90'E of _____
CE/2 E/2 NW Sec. 11 Twp. 7 S. R. 21W East West
1400 feet from N / S Line of Section
2400 feet from E / W Line of Section

OPERATOR: License# 32322 5/30/05
 Name: DENIS F. ROBERTS
 Address: P.O. Box 1252
 City/State/Zip: Hays, KS 67601
 Contact Person: Denis F. Roberts
 Phone: (785) 625-8526

RECEIVED
 JUL 08, 2004
 JUL 08 2004

Is SECTION Regular Irregular?

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

County: Graham
 Lease Name: Benoit Well #: 33
 Field Name: Wildcat

CONTRACTOR: License# 31548
 Name: Discovery Drilling 10/30/04

Is this a Prorated / Spaced Field? Yes No

Target Information(s): LKC & Arbuckle

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

* Nearest Lease or unit boundary: 240' unit
 Ground Surface Elevation: 2130 EGL 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' 150'
 Depth to bottom of usable water: 900' 950'

Surface Pipe by Alternate: 1 2 200' +
 Length of Surface Pipe Planned to be set: _____

Length of Conductor Pipe required: None

Projected Total Depth: 3900'
 Formation at Total Depth: Arbuckle

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: _____

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 #: _____
 * Unit info. received - Lease extends into NE1/4

AFFIDAVIT

* * Conductor pipe required, if elev. is less than 2000'

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: July 6, 2004 Signature of Operator or Agent: [Signature] Title: Agent

For KCC Use ONLY
 API # 15 - 065-22994.00.00
 Conductor pipe required NONE feet
 Minimum surface pipe required 200 feet per Alt. 1 2
 Approved by: RJP 8-3-04
 This authorization expires: 2-3-05
 (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.
- 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: _____

11
7
21W

Form 88--(Producers) I-43

B OIL AND GAS LEASE

Reorder No. 09-131



916-264-8044 • P.O. Box 730 • Wichita, KS 67201-0730

AGREEMENT, Made and entered into March 1st 192004 by and between: Teresa B. Benoit and Jerome Benoit, Trustees of the Teresa B. Benoit Trust No. 1 and Trustees of the Jerome Benoit Trust No. 1 under Trust agreement dated November 1, 1979 and Jerome Benoit and Teresa B. Benoit Trustees of the Jerome Benoit Trust No. 1 under Trust agreement dated November 1, 1979.

Denis Roberts Oil Party of the first part, hereinafter called lessor (whether one or more) and _____ Party of the second part, hereinafter called Lessee.

WITNESSETH, That the said lessor, for and in consideration of \$1.00 + DOLLARS, cash in hand paid, receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the part of Lessee to be paid, kept and performed, has granted, conveyed, leased and let unto said Lessee, for the term hereinafter expressed, for the sole and lawful purpose of mining and operating for oil and gas, and laying pipe lines, and building tanks, power stations and structures thereon to produce, save and take care of said products, all that certain tract of land, together with any consequential rights therein, situated in the County of Graham State of Kansas, described as follows, to-wit:

North Half of Section 11 Township 7, Range 21w.
South East Quarter Section 11 Township 7 Range 21w.
North Half of North East Quarter Section 14 Township 7 Range 21w.

of Section 11 & 14 Township 7s Range 21w and containing 560 ~~ACRES~~ more or less.

It is agreed that this lease shall remain in full force for a term of two years from this date, and as long thereafter as oil or gas, or either of them, is produced from said land by the lessee, or the premises are being developed or operated.

In consideration of the premises the said Lessee covenants and agrees: Lessors will receive 5% free of drilling costs on the first well only. The understanding they will pay completion costs.

1st. To deliver to the credit of lessor, free of cost, in the pipe line to which he may connect his wells, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises.
2nd. The lessee shall pay to lessor for gas produced from any oil well and used by the lessee for the manufacture of gasoline or any other product as royalty 1/8 of the market value of such gas at the mouth of the well, if said gas is sold by the lessee, then as royalty 1/8 of the proceeds of the sale thereof found and well gas is not sold or used, Lessee shall pay or tender annually at the end of each yearly period during which such gas is not sold or used as held as a producing lease under the above term paragraph hereof, the lessor to have gas free of charge from any gas well on the leased premises for sole risk and expense.

If no well be commenced on said land on or before March 1, 2005 to _____, this lease shall terminate as to both parties, unless the lessee on or before that date shall pay or tender to the lessor, or to the lessor's credit in the _____ Bank at Jerome & Teresa Benoit of its successors, which shall continue as the depository regardless of changes in the ownership of said land, the sum of \$4,500 DOLLARS, which shall operate as a rental and cover the privilege of deferring the commencement of a well for twelve months from said date.

Should the first well drilled on the above described land be a dry hole, then, and in that event, if a second well is not commenced on said land within twelve months from the expiration of the last rental period for which rental has been paid, this lease shall terminate as to both parties, unless the lessee on or before the first of said twelve months shall resume the payment of rentals in the same amount and in the same manner as herein before provided. And it is agreed that upon the resumption of the payment of rentals, as above provided, that the last preceding paragraph hereof, governing the payment of rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals herein provided shall be paid the lessor only in the proportion which his exact share bears to the whole and undivided fee. However, such rental shall be increased at the next succeeding rental anniversary after any reversion occurs to cover the interest so acquired.

Lessee shall have the right to use, free of cost, gas, oil, and water produced on said land for its operation thereon, except water from wells of lessor. When requested by lessor, Lessee shall bury his pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises, without the written consent of the lessor. Lessee shall pay for damages caused by its operations to growing crops on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing. If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with the like effect as if such well had been completed within the term of years herein first mentioned.

If the estate of either party hereto is transferred, and the privilege of transferring in whole or in part is expressly allowed, or if the rights hereunder of either party hereafter be by descent or devise, the covenants hereof shall extend to and be binding on the heirs, devisees, executors, administrators, successors, or assigns, but no change in the ownership of said land or of any right hereunder shall be binding on the lessor until after Lessee has been furnished with the original or a certified copy thereof of any transfer by lessor or with a certified copy of the will of lessor together with a transcript of the probate thereof or, in the event of the death of lessor and his estate is being administered, with a transcript of the administration proceedings or, in the event of the death of lessor and no administration being had on the estate, with an instrument satisfactory to Lessee executed by lessor's heirs, assigns or assigns of such part or parts shall fail or make default in the payment of the proportionate part of the rents due from him or them, such default shall not operate to divert this lease in so far as it covers a part or parts of said land upon which the said rent or any part thereof shall make due payments of said rentals. In case Lessee assigns this lease, in whole or in part, Lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment. If the leased premises are now or hereafter owned in severalty (the proportion that the severalty owned by him bears to the entire leased area). There shall be no obligation on the part of the lessee to offer wells on separate tracts into which the land covered by this lease may hereafter be divided by sale, devise, or otherwise, or to furnish separate measuring or recording tanks for the oil produced from such separate tracts.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to remedy for lessor by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof and may reimburse itself from any rental or royalties accruing hereunder.

The terms, covenants, and conditions hereof shall run with said land and herewith and shall be binding upon the parties hereto, their heirs, administrators, devisees, executors and assigns; however, all express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable for failure to comply herewith, if compliance is prevented by, or if such failure, is the result of, any such Law, Order, Rule or Regulation.

Whereof witness our hands as of the day and year first above written.
Jerome Benoit
Jerome Benoit
Teresa B. Benoit
Teresa Benoit
Denis Roberts
Denis Roberts

Joanne Johnson 2/18/04 (SEAL)
Joanne Johnson
JOANNE JOHNSON
My Appt. Exp. 7-4-05 (SEAL)

RECEIVED
KANSAS CORPORATION COMMISSION
AUG 03 2004
FILE 03, 2004
CONSERVATION DIVISION
WICHITA, KS

15-065-22994-00-00

B

OIL AND GAS LEASE

Recorder No.
09-131



316-264-9344 • P.O. Box 793 • Wichita, KS 67201-0793

15-065-22994-00-00

AGREEMENT, Made and entered into March 1st 192004, by and between:
Teresa B. Benoit and Jerome Benoit, Trustees of the Teresa B. Benoit Trust No. 1 and
under agreement dated November 1, 1979 and Jerome Benoit and Teresa B. Benoit
Trustees of the Jerome Benoit Trust No. 1 under Trust agreement dated November 1, 1979.

Denis Roberts Oil

Party of the first part, hereinafter called lessor (whether one or more) and

Party of the second part, hereinafter called lessee.

WITNESSETH, That the said lessor, for and in consideration of \$1.00 + DOLLARS,
cash in hand paid, receipt of which is hereby acknowledged, and of the covenants and agreements hereinafter contained on the part of lessee to be paid,
kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto said lessee, for the sole and only
purpose of mining and operating for oil and gas, and laying pipe lines, and building tanks, power stations and structures thereon to produce, save and take
care of said products, all that certain tract of land, "together with any reversionary rights therein," situated in the County of Graham
State of Kansas, described as follows, to-wit:

North Half of Section 11 Township 7, Range 21w.
South East Quarter Section 11 Township 7 Range 21w.
North Half of North East Quarter Section 14 Township 7 Range 21w.

of Section 11 & 14 Township 7s Range 21w and containing 560 acres more or less.

It is agreed that this lease shall remain in full force for a term of two years from this date, and as long thereafter as oil or gas,
or either of them, is produced from said land by the lessee, or the premises are being developed or operated.

In consideration of the premises the said lessee covenants and agrees: Lessors will receive 5% free of drilling costs
on the first well only. The understanding—they will pay completion costs.

1st. To deliver to the credit of lessor, free of cost, in the pipe line to which he may connect his wells, the equal one-eighth (1/8) part of all oil produced
and saved from the leased premises.

2nd. The lessee shall pay to lessor for gas produced from any oil well and used by the lessee for the manufacture of gasoline or any other product as
royalty 1/8 of the market value of such gas at the mouth of the well; if said gas is sold by the lessee, then as royalty 1/8 of the proceeds of the sale thereof
at the mouth of the well. The lessee shall pay lessor as royalty 1/8 of the proceeds from the sale of gas as such at the mouth of the well where gas only is
found and where such gas is not sold or used, lessee shall pay or tender annually at the end of each yearly period during which such gas is not sold or used as
royalty, an amount equal to the delay rental provided in the next succeeding paragraph hereof, and while said royalty is so paid or tendered this lease shall
be held as a producing lease under the above term paragraph hereof; the lessor to have gas free of charge from any gas well on the leased premises for
stoves and inside lights in the principal dwelling house on said land by making his own connections with the well, the use of such gas to be at the lessor's
sole risk and expense.

If no well be commenced on said land on or before March 1, 2005, this lease shall terminate as to both parties, unless the lessee on
or before that date shall pay or tender to the lessor, or to the lessor's credit in The N/A Bank at

Jerome & Teresa Benoit or its successors, which shall continue as the depository regardless of changes in the owner-
ship of said land, the sum of \$4,500 DOLLARS, which shall operate as a rental and cover

the privilege of deferring the commencement of a well for twelve months from said date. In like manner and upon like payments or tenders the commence-
ment of a well may be further deferred for like periods or the same number of months successively. All such payments or tenders of rental may be made
by check or draft of lessee or any assignee thereof, mailed or delivered on or before the rental paying date either direct to lessor or assigns or to said de-
pository bank. And it is understood and agreed that the consideration first recited herein, the down payment, covers not only the privileges granted to the
Lessee may at any time execute and deliver to Lessor, or place of record, a release or releases covering any portion or portions of the above described
premises and thereby surrender this lease as to such portion or portions as he is relieved of all obligations as to the acreage surrendered, and thereafter the
rentals payable hereunder shall be reduced in the proportion that the acreage covered hereon is reduced by said release or releases.

Should the first well drilled on the above described land be a dry hole, then, and in that event, if a second well is not commenced on said land within
twelve months from the expiration of the last rental period for which rental has been paid, this lease shall terminate as to both parties, unless the lessee on
or before the expiration of said twelve months shall resume the payment of rentals in the same amount and in the same manner as herein before provided
And it is agreed that upon the resumption of the payment of rentals, as above provided, that the last preceding paragraph hereof, governing the payment
rentals and the effect thereof, shall continue in force just as though there had been no interruption in the rental payments.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties and rentals
herein provided shall be paid the lessor only in the proportion which his interest bears to the whole and undivided fee. However, such rental shall be
increased at the next succeeding rental anniversary after any reversion occurs to cover the interest so acquired.

Lessee shall have the right to use, free of cost, gas, oil, and water produced on said land for its operation thereon, except water from wells of lessor.
When requested by lessor, lessee shall bury his pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises, without the written consent of the lessor.
Lessee shall pay for damages caused by its operations to growing crops on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing.
If the lessee shall commence to drill a well within the term of this lease or any extension thereof, the lessee shall have the right to drill such well to
completion with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in
force with the like effect as if such well had been completed within the term of years herein first mentioned.

If the estate of either party hereto is transferred, and the privilege of transferring in whole or in part is expressly allowed, or if the rights hereunder
of either party hereto are vested by descent or devise, the covenants hereof shall extend to and be binding on the heirs, devisees, executors, administrators,
successors, or assigns, but no change in the ownership of said land or of any right hereunder shall be binding on the lessee until after lessee has been
furnished with the original or a certified copy thereof of any transfer by lessor or with a certified copy of the will of lessor together with a transcript of
the probate thereof or, in the event lessor dies intestate and his estate is being administered, with a transcript of the administration proceedings or, in
the event of the death of lessor and no administration being had on the estate, with an instrument satisfactory to lessee executed by lessor's heirs
authorizing payment or deposit to their credit as hereinbefore provided, at least thirty days before said rentals and royalties are
payable or due, and it is hereby agreed in the event this lease shall be assigned as to a part or as to parts of the above described lands and the as-
signee or assignees of such part or parts shall fail or make default in the payment of the proportionate part of the rents due from him or them, such
default shall not operate to defeat or affect this lease in so far as it covers a part or parts of said lands upon which the said lessee or any assignee
thereof shall make due payments of said rentals. In case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with
or in separate tracts, the premises, nevertheless, may be developed and operated as an entirety, and the royalties shall be paid to each separate owner in
the proportion that the acreage owned by him bears to the entire leased area. There shall be no obligation on the part of the lessee to offset wells on
separate tracts into which the land covered by this lease may hereafter be divided by sale, devise, or otherwise, or to furnish separate measuring or re-
ceiving tanks for the oil produced from such separate tracts.

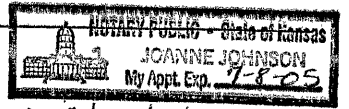
Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to re-
deem for lessor by payment, any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated
to the rights of the holder thereof and may reimburse itself from any rental or royalties accruing hereunder.

The terms, covenants, and conditions hereof shall run with said land and herewith and shall be binding upon the parties hereto, their heirs, ad-
ministrators, devisees, executors, successors and assigns; however, all express or implied covenants of this lease shall be subject to all Federal and State
Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor lessee held liable for failure to comply
therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

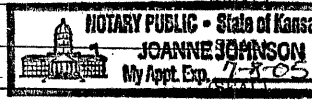
Whereof witness our hands as of the day and year first above written.

Jerome Benoit
Jerome Benoit
Teresa B Benoit
Teresa Benoit
Denis F Roberts
Denis Roberts

Joanne Johnson 2/18/04 (SEAL)



Joanne Johnson (SEAL)



RECEIVED
AUG 04 2004
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KCC WICHITA