

For KCC Use: 10-19-03
Effective Date: 4
District #: _____
SGA? Yes No

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

RECEIVED
OCT 9, 2003
OCT 09 2003
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

KCC WICHITA

Expected Spud Date November 1 2003
month day year

Spot 210' West of _____ East
SE SW SW Sec. 30 Twp 7S S. R. 20 East West
330' feet from N / S Line of Section
780' feet from E / W Line of Section
Is SECTION _____ Regular Irregular?

OPERATOR: License# 32819
Name: Baird Oil Company LLC
Address: PO Box 428
City/State/Zip: Logan, Kansas 67646
Contact Person: Jim R. Baird
Phone: (785) 689-7456

(Note: Locate well on the Section Plat on reverse side)
County: Rooks
Lease Name: Benoit/Jones Well #: 1
Field Name: Wildcat

CONTRACTOR: License# 30606
Name: Murfin Drilling Company

Is this a Prorated / Spaced Field? Yes No
Target information(s): Arbuckle

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

Nearest Lease or unit boundary: 330'
* Ground Surface Elevation: 2010 feet MSL

If OWWO: old well information as follows:
Operator: _____
Well Name: _____
Original Completion Date: _____ Original Total Depth: _____

Water well within one-quarter mile: Yes No
Public water supply well within one mile: Yes No

Directional, Deviated or Horizontal wellbore? Yes No
If Yes, true vertical depth: _____
Bottom Hole Location: _____
KCC DKT #: _____

Depth to bottom of fresh water: 180'
Depth to bottom of usable water: 1000
Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 210'
Length of Conductor Pipe required: none

Projected Total Depth: 3700
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: _____

Conductor Pipe Required if Elev. less than 1960' MSL

AFFIDAVIT

* EL. Per Survey - See ATU

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: 10/7/2003 Signature of Operator or Agent: [Signature] Title: President

For KCC Use ONLY
API # 15 - 163-23388-00-00
Conductor pipe required NONE feet
Minimum surface pipe required 200 feet per Alt. # (2)
Approved by: RJP 10-14-03
This authorization expires: 4-14-04
(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: _____

30
7
2003

Side Two

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 with a 1/2 mile of the boundaries of the proposed acreage attribution unit for oil wells.

API No. 15 - _____

Operator: _____

Lease _____

Well Number: _____

Field: _____

Number of Acres attributable to well: _____

QTR / QTR / QTR of acreage: _____

Location of Well; County: _____

_____ feet from N / S Line of Section
_____ feet from E / W Line of Section

Sec. _____ Twp. _____ S. R. _____ East West

Is Section: Regular or Irregular

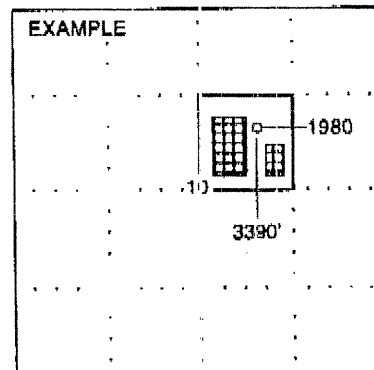
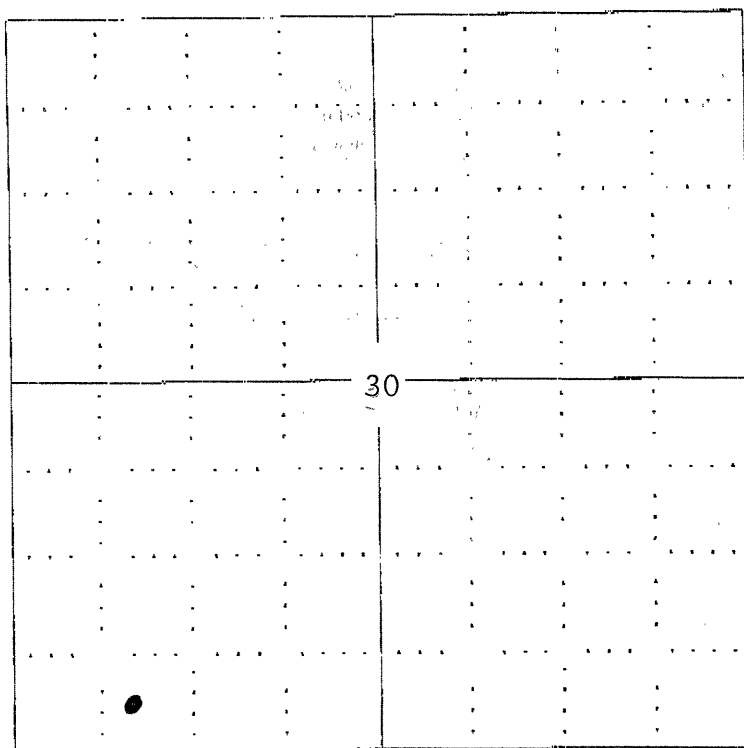
If Section is Irregular, locate well from nearest corner boundary.

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.)



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).

BAIRD OIL COMPANY, LLC.
BENOIT/JONES UNIT LEASE
SW. 1/4, SECTION 30, T7S, R20W
ROOKS COUNTY, KANSAS

RECEIVED
KANSAS CORPORATION COMMISSION

OCT 14 2003
OCT 14, 2003
CONSERVATION DIVISION
WICHITA, KS

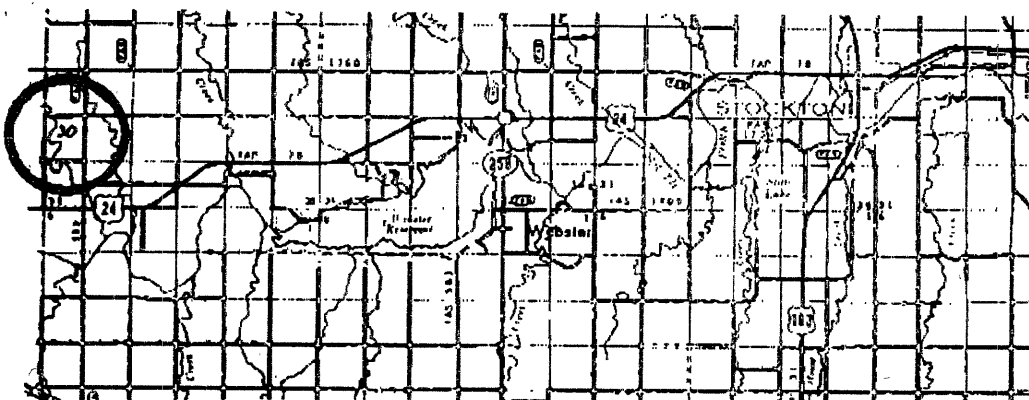
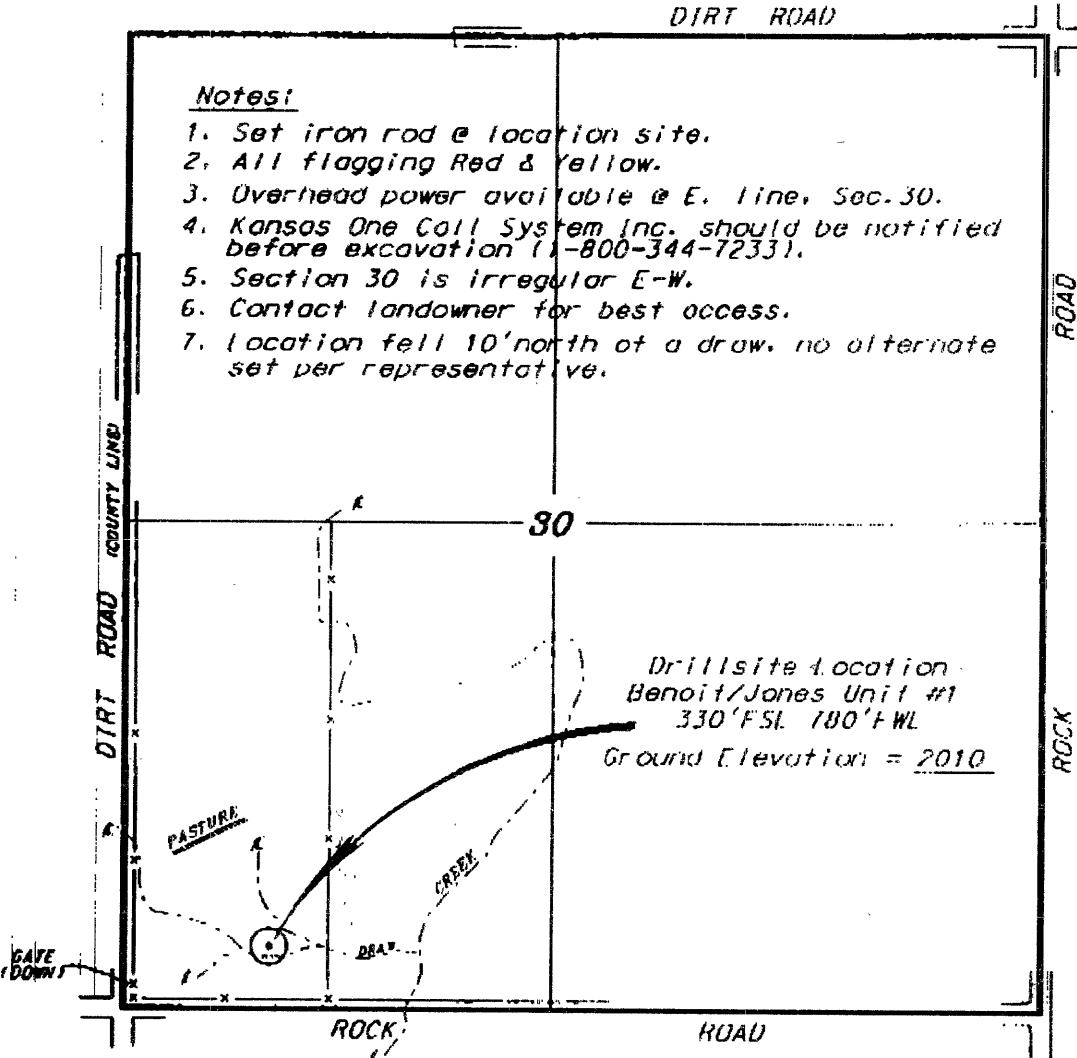
15-163-23388-00-00

DIRT ROAD

Notes:

1. Set iron rod @ location site.
2. All flagging Red & Yellow.
3. Overhead power available @ E. line, Sec. 30.
4. Kansas One Call System Inc. should be notified before excavation (1-800-344-7233).
5. Section 30 is irregular E-W.
6. Contact landowner for best access.
7. Location fell 10' north of a draw, no alternate set per representative.

Ingress and egress to location as shown on this plot is for usage only and may not be legally opened for public use. Contact landowner, tenant, and county road department for access.



1. Elevation derived from National Geodetic Vertical Datum.

2. Elevation derived from National Geodetic Vertical Datum.

3. Elevation derived from National Geodetic Vertical Datum.

4. Elevation derived from National Geodetic Vertical Datum.

5. Elevation derived from National Geodetic Vertical Datum.

6. Elevation derived from National Geodetic Vertical Datum.

7. Elevation derived from National Geodetic Vertical Datum.

8. Elevation derived from National Geodetic Vertical Datum.

9. Elevation derived from National Geodetic Vertical Datum.

10. Elevation derived from National Geodetic Vertical Datum.

Date October 9, 2003

FORM 88 - (PRODUCER'S SPECIAL) (PAID-UP) 63U (Rev. 1993)

OIL AND GAS LEASE

Recorder No. 09-115



AGREEMENT, Made and entered into the 15th day of August 2002 by and between Dwight Paul Jones Family Trust, Cecile M. Jones, Trustee

RECEIVED

OCT 09 2003

whose mailing address is PO Box 642, Minneola, KS. 67865 hereinafter called Lessor (whether one or more), and Baird Oil Company LLC PO Box 428, Logan, Kansas 67646 hereinafter called Lessee:

Lessor, in consideration of one and 00/100 Dollars (\$1.00) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring by geophysical and other means, prospecting, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, including gas, water, other fluids, and air from subsurface strata, laying pipe lines, storing oil, liquid hydrocarbons, all gases, and their respective and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in County of Rooks State of Kansas described as follows to-wit:

The East Half of the Southwest Quarter (E/2 SW/4) and The West Half of the Southeast Quarter (W/2 SE/4) all

In Section 30 Township 7S Range 20W and containing 160 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of three years from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, by any of them, is produced from said land or land with which said land is pooled.

- 1st. To deliver to the premises the said lease covenants and agrees: 1st. To deliver to the credit of lessor, free of cost, in the pipe line to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises. 2nd. To pay lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8) of the market price at the well, (but, as to gas sold by Lessee, in no event more than one-eighth (1/8) of the proceeds received by Lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, Lessee may pay or tender meaning of the preceding paragraph.

This lease may be maintained during the primary term hereof without further payment or drilling operations. 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 like effect as if such well had been completed within the term of years first mentioned.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for lessor's operation thereon, except water from the wells of lessor.

When requested by lessor, Lessee shall bury lessor's pipe lines below plow depth. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of lessor.

Lessee shall pay for damages caused by lessor's 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 estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof. 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.

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 and be relieved of all obligations as to the acreage surrendered.

All express or implied covenants in 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 in damages, 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.

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 redeem 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 the undersigned lessor, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land; lease or leases in the immediate vicinity thereof, when in Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under said land that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oilwell, or into a unit or units not exceeding 80 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein bears to the total acreage so pooled in the particular unit involved.

IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first above written.

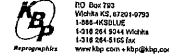
Cecile M. Jones, Trustee of The Dwight Paul Jones Family Trust

FORM 88 - (PRODUCER'S SPECIAL) (PAID-UP) 63U (Rev. 1993)

Microfilm... Direct... Indirect... Indexed... Numerical... Checked...

OIL AND GAS LEASE

Recorder No. 09-115



AGREEMENT, Made and entered into the 20th day of August 2002 by and between Teresa B. Benoit and Jerome V. Benoit, Trustees of the Teresa B. Benoit Trust No. 1 dated November 1, 1979; Jerome V. Benoit and Teresa B. Benoit, Trustees of the Jerome Benoit Trust No. 1 dated November 1, 1979

RECEIVED

OCT 09 2003

whose mailing address is 1310 2 Rd, Damar, KS. 67632 hereinafter called Lessor (whether one or more), and Baird Oil Company LLC PO Box 428, Logan, Kansas 67646 hereinafter called Lessee:

Lessor, in consideration of one and 00/100 Dollars (\$1.00) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the lessee herein contained, hereby grants, leases and lets exclusively unto Lessee for the purpose of investigating, exploring by geophysical and other means, prospecting, drilling, mining and operating for and producing oil, liquid hydrocarbons, all gases, and their respective constituent products, including gas, water, other fluids, and air from subsurface strata, laying pipe lines, storing oil, liquid hydrocarbons, all gases, and their respective and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituent products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in County of Graham State of Kansas described as follows to-wit:

The Northeast Quarter (NE/4) of Section 36-7S-21W, except a tract beginning at the Northeast corner of said NE/4, thence West 343 feet, thence South 343 feet, thence East 343 feet, thence North 343 feet to the place of the beginning and containing 3 acres, more or less; and in Rooks County the West Half of the Southwest Quarter (W/2 SW/4)

In Section 30 Township 7S Range 20W and containing 237 acres, more or less, and all accretions thereto.

Subject to the provisions herein contained, this lease shall remain in force for a term of three years from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, by any of them, is produced from said land or land with which said land is pooled.

- 1st. To deliver to the premises the said lease covenants and agrees: 1st. To deliver to the credit of lessor, free of cost, in the pipe line to which Lessee may connect wells on said land, the equal one-eighth (1/8) part of all oil produced and saved from the leased premises. 2nd. To pay lessor for gas of whatsoever nature or kind produced and sold, or used off the premises, or used in the manufacture of any products therefrom, one-eighth (1/8) of the market price at the well, (but, as to gas sold by Lessee, in no event more than one-eighth (1/8) of the proceeds received by Lessee from such sales), for the gas sold, used off the premises, or in the manufacture of products therefrom, said payments to be made monthly. Where gas from a well producing gas only is not sold or used, Lessee may pay or tender meaning of the preceding paragraph.

This lease may be maintained during the primary term hereof without further payment or drilling operations. 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 like effect as if such well had been completed within the term of years first mentioned.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided for shall be paid the said lessor only in the proportion which lessor's interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for lessor's operation thereon, except water from the wells of lessor.

When requested by lessor, Lessee shall bury lessor's pipe lines below plow depth. No well shall be drilled nearer than 200 feet to the house or barn now on said premises without written consent of lessor.

Lessee shall pay for damages caused by lessor's 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 estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns, but no change in the ownership of the land or assignment of rentals or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof. 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.

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 and be relieved of all obligations as to the acreage surrendered.

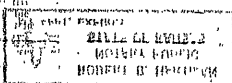
All express or implied covenants in this lease shall be subject to all Federal and State Laws, Executive Orders, Rules or Regulations, and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order, Rule or Regulation.

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 redeem 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 the undersigned lessor, for themselves and their heirs, successors and assigns, hereby surrender and release all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land; lease or leases in the immediate vicinity thereof, when in Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under said land that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oilwell, or into a unit or units not exceeding 80 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein bears to the total acreage so pooled in the particular unit involved.

IN WITNESS WHEREOF, the undersigned execute this instrument as of the day and year first above written.

Teresa B. Benoit Trust No. 1 Dated 11/1/79, Jerome Benoit Trust No. 1 Dated 11/1/79. By: Teresa B. Benoit, Trustee; Jerome V. Benoit, Trustee; Teresa B. Benoit, Trustee



State of Kansas, Graham County SS. This instrument was filed for Record on the 6 day of September 20 02 A.D. at 10:05 o'clock A.M. Fees \$ 12.00 and duly recorded in Book 203 Page 325-326. Registrar

