

RECEIVED

NOV 28 2005

Form C-1
December 2002

For KCC Use: 12.5.05
Effective Date: _____
District # 1
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

KCC WICHITA

NOTICE OF INTENT TO DRILL

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 12 / 02 / 2005
month day year

Spot NW 1650 SE 990 NE _____ S. R. 14 East West
feet from N / S Line of Section
feet from E / W Line of Section

OPERATOR: License# 33638
Name: Metro Energy Group, Inc.
Address: P.O. Box 691734
City/State/Zip: Tulsa, Oklahoma 74169
Contact Person: Jeff Steinke and Robert Plannenstiel
Phone: 918-438-7971 and 405-612-1534

Is SECTION Regular Irregular?

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

County: Barber
Lease Name: McGrath Well #: 1-16
Field Name: Aetna Gas Area

CONTRACTOR: License# 33549
Name: Landmark Drilling

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Mississippian, Chattanooga, Simpson

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

Nearest Lease or unit boundary: 990 feet
Ground Surface Elevation: 1695 feet MSL

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

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

Depth to bottom of fresh water: 150
Depth to bottom of usable water: 180

Surface Pipe by Alternate: 1 2
Length of Surface Pipe Planned to be set: 250 feet

Directional, Deviated or Horizontal wellbore? Yes No

Length of Conductor Pipe required: 50 feet
Projected Total Depth: 5300

If Yes, true vertical depth: _____

Formation at Total Depth: Arbuckle
Water Source for Drilling Operations: Well Farm Pond Other

Bottom Hole Location: _____

DWR Permit #: _____

KCC DKT #: _____

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No

If Yes, proposed zone: Mississippian, Chattanooga

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: 22 NOV 2005 Signature of Operator or Agent: Steinke Title: Corporate Secretary

For KCC Use ONLY
API # 15 - 007.22956.0000
Conductor pipe required NONE feet
Minimum surface pipe required 200 feet per Alt. ①
Approved by: RS 11-30-05
This authorization expires: 5-30-06
(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: _____

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

16
33
14W

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: Metro Energy Group, Inc.
 Lease: McGrath
 Well Number: 1-16
 Field: Aetna Gas Area
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: NW - SE - NE

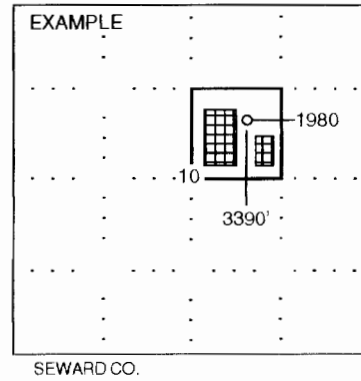
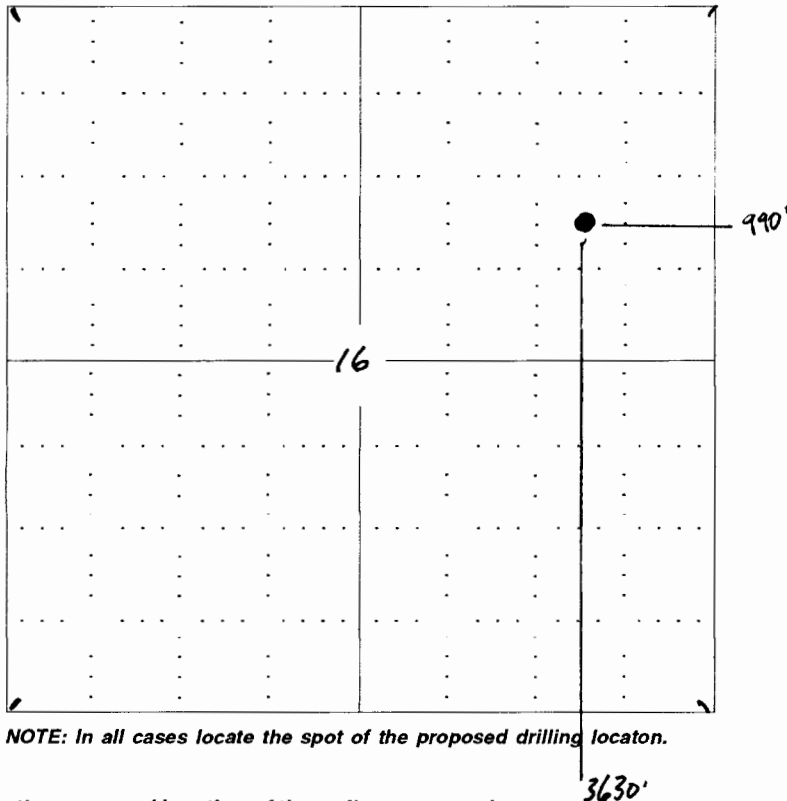
Location of Well: County: Barber
 1650 _____ feet from N / S Line of Section
 990 _____ feet from E / W Line of Section
 Sec. 16 Twp. 33 S. R. 14 East West

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.)*



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

November 30, 2005

Mr. Jeff Steinke
Metrol Energy Group, Inc.
PO Box 691734
Tulsa, OK 74169

Re: Drilling Pit Application
McGrath Lease Well No. 1-16
NE/4 Sec. 16-33S-14W
Barber County, Kansas

Dear Mr. Steinke:

District staff has inspected the location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has instructed that no earthen pits are to be used at the location. Steel pits are to be used. 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. **If a haul-off pit is necessary please file form CDP-1, Application for Surface Pit.** This location will have to be inspected prior to approval of the haul-off pit application.

If fluids are taken to an authorized disposal well, please call the District Office at (620) 225-8888. Please file form CDP-5, Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site: www.kcc.state.ks.us/conservation/forms.

Sincerely,


Kathy Haynes

Environmental Protection and Remediation Department

Cc: S Durrant