

15-051-25252-00-00

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8-11-2003
AUG 11 2003

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

For KCC Use:
Effective Date: 9.4.03
District #: 4
SGA? Yes No

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

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

KCC WICHITA

Expected Spud Date October 8, 2003
month day year

Spot AP 180' N & 120' W of
NE NE SE Sec. 1 Twp. 12S S. R. 16
 East
 West
2490 feet from N / S Line of Section
450 feet from E / W Line of Section

OPERATOR: License# 32511
Name: Imperial American Oil Corporation
Address: 303 N Carroll Blvd #214
City/State/Zip: Denton TX 76201
Contact Person: Hal Porter
Phone: 940483-9148

Is SECTION Regular Irregular?
(Note: Locate well on the Section Plat on reverse side)

CONTRACTOR: License# 30606
Name: Murfin Drilling Company, Inc.

County: Ellis
Lease Name: Karen Unit Well #: 1-1
Field Name: Wildcat

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

Is this a Prorated / Spaced Field? Yes No
Target Information(s): LKC, ARB
Nearest Lease or unit boundary: 330 (Unit) (See Attached)

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

Ground Surface Elevation: 1695 est. feet MSL
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: 540 - Permian
Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 900
Length of Conductor Pipe required: None
Projected Total Depth: 3700
Formation at Total Depth: ARB

Water Source for Drilling Operations:
 Well Farm Pond Other: River
DWR Permit #: _____

(Note: Apply for Permit with DWR)
Will Cores be taken? Yes No
If Yes, proposed zone: _____

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: August 6, 2003 Signature of Operator or Agent: Hal Porter Title: President

For KCC Use ONLY
API # 15 - 051-25252-00-00
Conductor pipe required NONE feet
Minimum surface pipe required 560 feet per Alt. 1
Approved by: RSP 8.29.03
This authorization expires: 3-1-04
(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: _____

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

1
12
162

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: Imperial American Oil Corporation
 Lease: Karen Unit
 Well Number: 1-1
 Field: Wildcat
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: NE - NE - SE

Location of Well: County: Ellis
2490 feet from N / S Line of Section
~~490~~ 450 feet from E / W Line of Section
 Sec. 1 Twp. 12S S. R. 16 East West

Is Section: Regular or Irregular

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

Section corner used: NE NW SE SW

RECEIVED

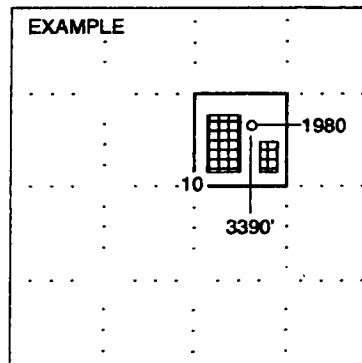
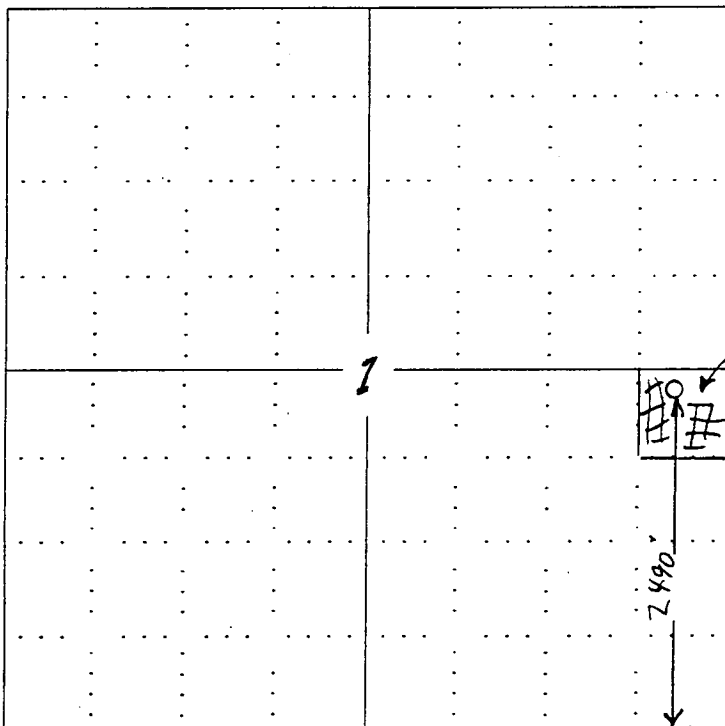
AUG 11 2003

KCC WICHITA

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).

Karen Hart #1-1
Sec 1 12S 16W Ellis County

Exhibit "A"

Attached and made a part of that certain
Declaration of Pooling and Unitization

by

Imperial American Oil Corporation

dated August 27, 2003

The following described oil and gas leases located in Ellis County, Kansas:

Lease No. 1

Lessor: Donald Eulert and Karen Hawthorne Eulert, his wife, P O Box 38 Santa Ysabel CA 92070

Lessee: J. Fred Hambright, Inc.

Date: June 13, 2002

Recorded: Book 537 at Page 59

Lands Covered:

Township 12 South, Range 16 West
Section 1: NE/4

Lease No. 2

Lessor: The National Loan Company, Inc., a Kansas corporation, P O Box 433, Russell KS 67665

Lessee: Imperial American Oil Corporation

Date: February 27, 2003

Recorded: Book 557 at Page 700

Lands Covered:

Township 12 South, Range 16 West
Section 1: E/2SE/4

Declaration of Pooling and Unitization

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, Imperial American Oil Corporation, a Texas corporation, 303 North Carroll Blvd., #214, Denton TX 76201, is the owner of the oil and gas leases described in Exhibit "A", attached here to and made a part hereof, insofar as said leases cover the following described lands in Ellis County, Kansas, as described herein, to-wit:

Township 12 South, Range 16 West
Section 1: NE/4 and E/2SE/4

and;

WHEREAS, each of the oil and gas leases described in Exhibit "A" contains a Pooling and Unitization clause which states as follows:

Lessor, at his 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 lessor'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 and 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 all well, or into a unit or units not exceeding 640 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 an 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 on an acreage basis bears to the total acreage so pooled in the particular unit involved.

and;

WHEREAS, the undersigned Imperial American Oil Corporation desires to pool and unitize all of the oil and gas leases described in Exhibit "A", insofar and only insofar as the same cover the following described lands, to-wit:

A tract of land containing Ten Acres, more or less, described as follow:

"Beginning at a point 2640 feet north of the Southeast corner of the Southeast Quarter (SE/4) of Section 1, Township 12 South, Range 16 West, thence west 120 feet to the "Point of Beginning"; from said Point of Beginning, north 120 feet, thence west 660 feet, thence south 660 feet, thence east 660 feet, thence north 480 feet to the Point of Beginning"

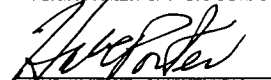
said lands containing Ten (10) acres, more or less, now being identified as the "Pooled and Unitized Area" for production of oil and/or gas and associated hydrocarbons from all zones, depths and formations.

NOW THEREFORE, the undersigned Imperial American Oil Corporation does hereby pool and unitize the above described lands into one pooled and unitized area containing ten (10) acres provided that said pooling and Unitization is limited to production of oil and/or gas and associated hydrocarbons from all zones and formations.

The royalties accruing to any well located on said unit shall be prorated and paid to lessors of the various tracts included in the Pooled and Unitized Area in the same proportion that the area each tract of said lessor bears to the total of the Pool and Unitized Area.

IN WITNESS WHEREOF, this Declaration of Pooling and Unitization was executed this 27th day of August, 2003.

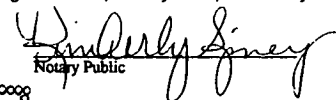
IMPERIAL AMERICAN OIL CORPORATION

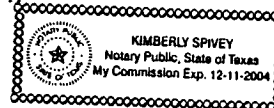

Hal C. Porter, President

State of Texas)
)ss
County of Denton)

The foregoing instrument was acknowledged before me, a Notary Public, this 27th day of August, 2003.

Appointment


Notary Public

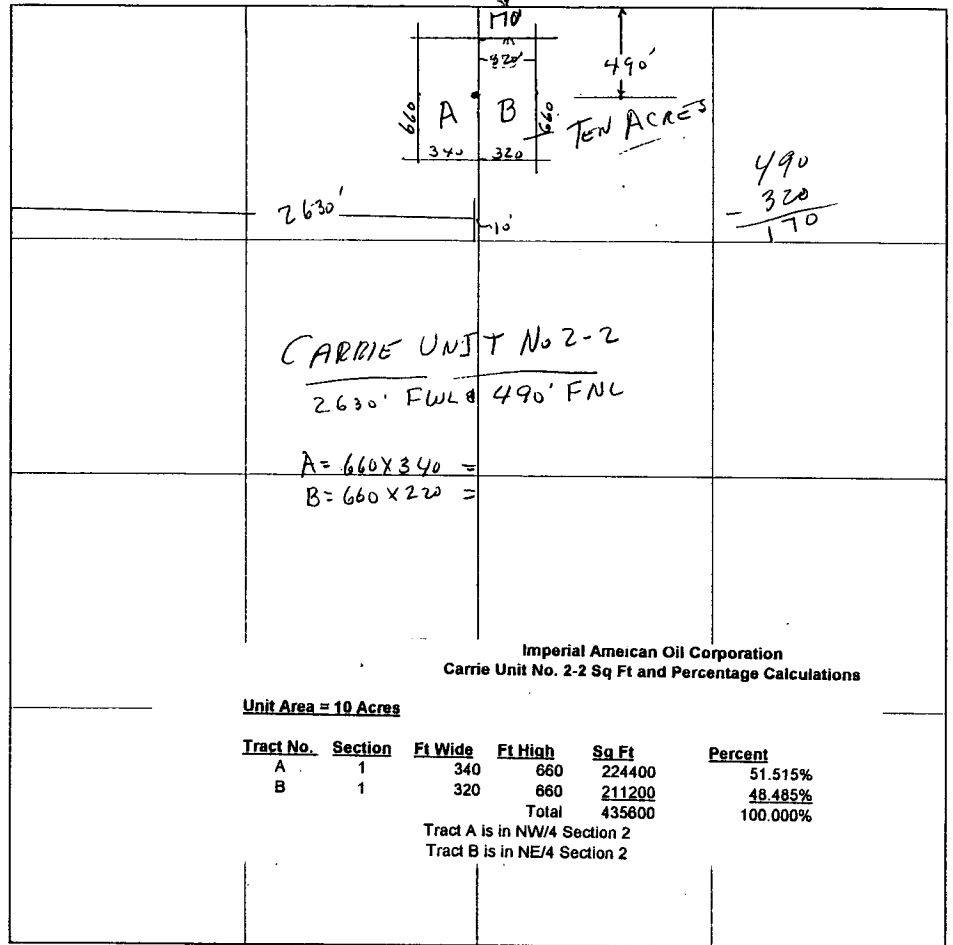


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CARRIE UNIT #2-2

FAIRPORT NW SHOOT

SECTION 2 TOWNSHIP 12S RANGE 16W COUNTY ELLIS STATE KS



CARRIE UNIT No 2-2

2630' FWL @ 490' FNL

A = 660 x 340 =

B = 660 x 220 =

490
 - 320
 170

Imperial American Oil Corporation
 Carrie Unit No. 2-2 Sq Ft and Percentage Calculations

Unit Area = 10 Acres

Tract No.	Section	Ft Wide	Ft High	Sq Ft	Percent
A	1	340	660	224400	51.515%
B	1	320	660	211200	48.485%
Total				435600	100.000%

Tract A is in NW/4 Section 2
 Tract B is in NE/4 Section 2