

EFFECTIVE DATE: 9-21-97

State of Kansas

15-199-20257-0000

DISTRICT # 4

NOTICE OF INTENTION TO DRILL

SEAL Yes No

Must be approved by the K.C.C. five (5) days prior to commencing well

Expected Spud Date September 30 1997 APP

Spot N/8 SW-SW Sec 31 Twp 15 S Rg 41 East West

OPERATOR: License # 03581 Name: Red Oak Energy, Inc. Address: 200 W. Douglas, Suite 510 City/State/Zip: Wichita, KS 67202 Contact Person: Kevin C. Davis Phone: (316) 265-9925

990 feet from South North line of Section 510 feet from East West line of Section IS SECTION X REGULAR IRREGULAR

(NOTE: Locate well on the Section Plat on Reverse Side) County: Wallace Lease Name: Unocal Well #: 1-31 Field Name: Wildcat

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

Is this a Prorated/Spaced Field? yes X no Target Formation(s): Marrow Nearest lease or unit boundary: 510'

Table with columns: Well Drilled For, Well Class, Type Equipment. Includes rows for Oil, Gas, OWD, Seismic, and other well types.

Ground Surface Elevation: 3803 feet MSL Water well within one-quarter mile: X yes X no Public water supply well within one mile: yes X no

If OWD: old well information as follows: Operator: Well Name: Comp. Date: Old Total Depth

Depth to bottom of fresh water: 250' 300' Depth to bottom of usable water: 1800' 1950' Surface Pipe by Alternate: 1 X 2

Directional, Deviated or Horizontal wellbore? yes X no If yes, true vertical depth: Bottom Hole Location:

Length of Surface Pipe Planned to be set: 360' Length of Conductor pipe required: N/A Projected Total Depth: 5250' Formation at Total Depth: Mississippian

Water Source for Drilling Operations: X well farm pond other DWR Permit #: Will Cores Be Taken? yes X no

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, 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;
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. 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: Sept 2, 1997 Signature of Operator or Agent: Kevin C. Davis Title: President

FOR KCC USE: API # 15-199-202570000 Conductor pipe required NONE feet Minimum surface pipe required 350 feet per Alt. X(2) Approved by: JK 9-16-97 This authorization expires: 3-16-98 (This authorization void if drilling not started within 6 months of effective date.) Spud date: Agent:

Vertical stamp: RECEIVED DISTRICT OFFICE SEP 21 1997. Handwritten numbers: 31, 15, 41W.

- 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.

Mail to: Conservation Division, 208 Colorado Derby Building, 202 W. First St., Wichita, Kansas 67202-1286.

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 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 Red Oak Energy, Inc.
 LEASE Unocal
 WELL NUMBER #1-31
 FIELD Wildcat

LOCATION OF WELL: COUNTY Wallace
990 feet from south/north line of section
510 feet from east/west line of section
 SECTION 31 TWP 15 RG 41

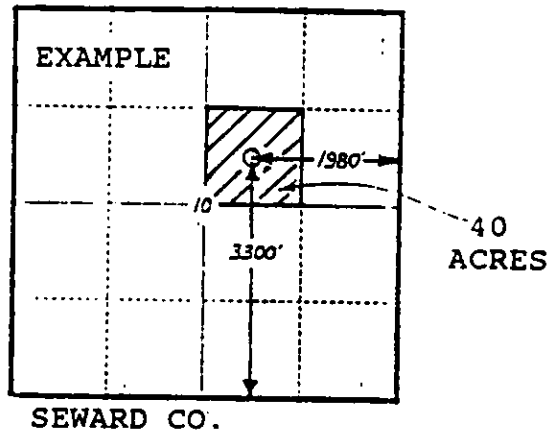
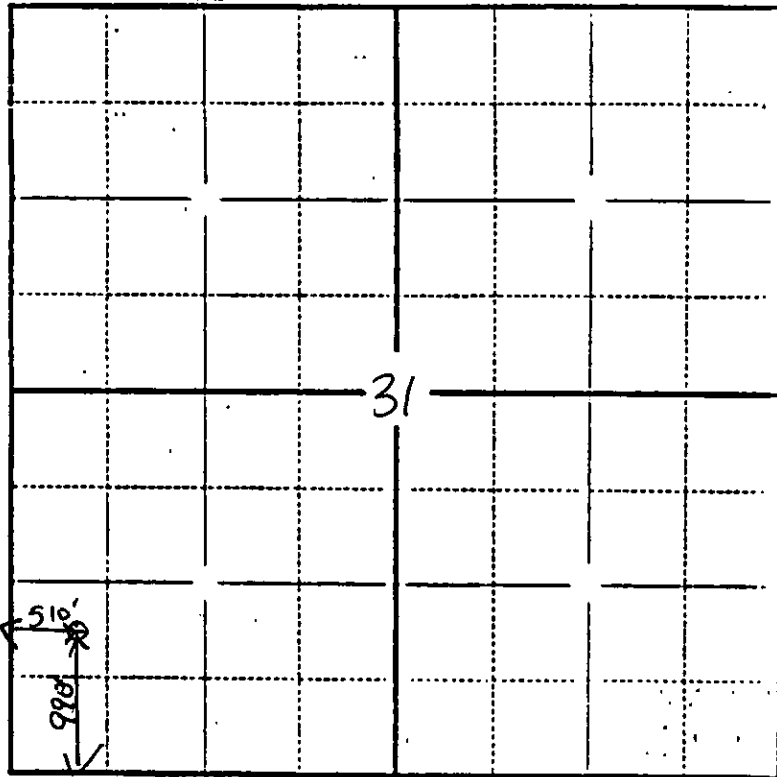
NUMBER OF ACRES ATTRIBUTABLE TO WELL _____
 QTR/QTR/QTR OF ACREAGE _____

IS SECTION X 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.)



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 lines; and
- 3) the distance to the nearest lease or unit boundary line.