

For KCC Use:
 Effective Date: 12-5-01
 District # 1
 SGA? Yes No

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

Form C-1
 September 1999
 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 December 10 2001
month day year

Spot C SW/4 Sec. 16 Twp. 31 S. R. 11 East West

OPERATOR: License# 31409 ✓
 Name: M M Energy, Inc.
 Address: 1900 SE 15th St.; Bldg 700-B
 City/State/Zip: Edmond, OK 73013
 Contact Person: Ceth Loomis
 Phone: (405) 340-9000

1320 feet from S / N (circle one) Line of Section
1320 feet from E / W (circle one) Line of Section
 Is SECTION Regular Irregular?

CONTRACTOR: License# 5929 ✓
 Name: Duke Drilling

(Note: Locate well on the Section Plat on reverse side)
 County: Barber
 Lease Name: Watkins Trust Well #: 1-16
 Field Name: ILS

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

Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Mississippi

Nearest Lease or unit boundary: 1320 ft ✓
 Ground Surface Elevation: 1458 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: 100 ft ✓
 Depth to bottom of usable water: 180 ft ✓
 Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 261 ft ✓
 Length of Conductor Pipe required: 200 ft ✓ (?)
 Projected Total Depth: 4900 ft
 Formation at Total Depth: Mississippi

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

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: _____

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. NOV 28 2001
 It is agreed that the following minimum requirements will be met:

11-28-01
 CONSERVATION DIVISION
 WICHITA, KS

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. *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: 11/21/01 Signature of Operator or Agent: [Signature] Title: President

For KCC Use ONLY
 API # 15 - 007-22692-0000
 Conductor pipe required NONE feet
 Minimum surface pipe required 200' feet per Alt. 1
 Approved by: DPW 11-30-01
 This authorization expires: 5-30-02
 (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.

16
31
11w

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plat of acreage attributable to a well in a prorated or spaced field

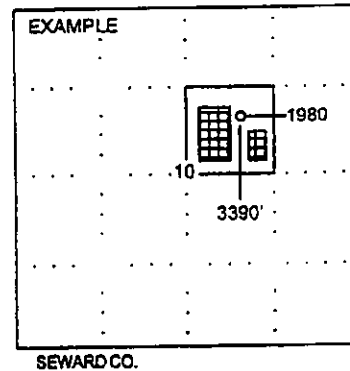
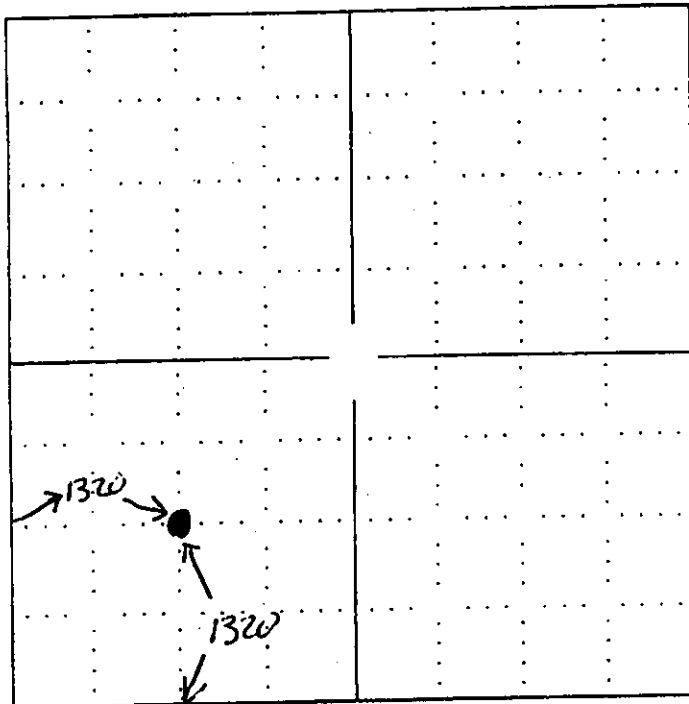
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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: M M Energy, Inc
 Lease: Watkins Trust
 Well Number: 1-16
 Field: ILS
 Number of Acres attributable to well: 320
 QTR / QTR / QTR of acreage: _____ - _____ - S/2

Location of Well: County: Barber
1320 feet from S / N (circle one) Line of Section
1320 feet from E W (circle one) Line of Section
 Sec. 16 Twp. 31 S. R. 11 East West
 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.)*



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).