

For KCC Use: 10-21-02  
 Effective Date: \_\_\_\_\_  
 District # 1  
 SGA?  Yes  No

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

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 OCT 10 2002  
 KCC WICHITA

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 November 1, 2002  
 month day year

OPERATOR: License# 5046  
 Name: Raymond Oil Company, Inc.  
 Address: P.O. Box 48788  
 City/State/Zip: Wichita, KS 67201-8788  
 Contact Person: Clarke Sandberg  
 Phone: (316) 267-4214

CONTRACTOR: License# 5929  
 Name: Duke Drilling Co., Inc.

Well Drilled For:	Well Class:	Type Equipment:
<input type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Infield
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.
<input type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat
<input type="checkbox"/> Seismic;	# of Holes <input type="checkbox"/> Other	<input type="checkbox"/> Cable
<input type="checkbox"/> Other		

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

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

\* BASE LEASE COVERS N/2 OF 32-31-13W

Spot  East  
Ap E/2 SE NW Sec. 32 Twp. 31 S. R. 13  West  
2055 feet from N (circle one) Line of Section  
2935 feet from E (circle one) Line of Section  
 Is SECTION  Regular  Irregular?

(Note: Locate well on the Section Plat on reverse side)  
 County: Barber  
 Lease Name: Brook Well #: 1  
 Field Name: Brooks  
 Is this a Prorated / Spaced Field?  Yes  No  
 Target Formation(s): Douglas Lansing Mississippi  
 \* Nearest Lease or unit boundary: 585'  
 Ground Surface Elevation: 1761 feet MSL  
 Water well within one-quarter mile:  Yes  No  
 Public water supply well within one mile:  Yes  No  
 Depth to bottom of fresh water: 150'  
 Depth to bottom of usable water: 180'  
 Surface Pipe by Alternate: 1 X  
 Length of Surface Pipe Planned to be set: 250'  
 Length of Conductor Pipe required: none  
 Projected Total Depth: 4450'  
 Formation at Total Depth: Mississippi  
 Water Source for Drilling Operations:  
 Well  Farm Pond \_\_\_\_\_ Other Contractor will file  
 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.  
 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. **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: October 9, 2002 Signature of Operator or Agent: Pat Raymond Title: Vice President  
 Pat Raymond

For KCC Use ONLY  
 API # 15 - 007-22721-00-00  
 Conductor pipe required NONE feet  
 Minimum surface pipe required 200 feet per Alt. 1  
 Approved by: RJP 10-16-02  
 This authorization expires: 4-16-03  
 (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.

32  
 31  
 13W

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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: \_\_\_\_\_

Lease: \_\_\_\_\_

Well Number: \_\_\_\_\_

Field: \_\_\_\_\_

Number of Acres attributable to well: \_\_\_\_\_

QTR / QTR / QTR of acreage: \_\_\_\_\_

Location of Well: County: \_\_\_\_\_

2055 feet from S / **N** (circle one) Line of Section

2935 feet from **E** / W (circle one) Line of Section

Sec. 32 Twp. 31 S. R. 13  East  West

Is Section  Regular or  Irregular

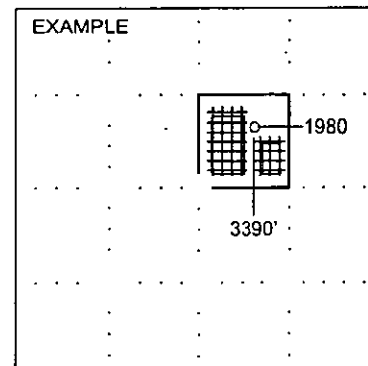
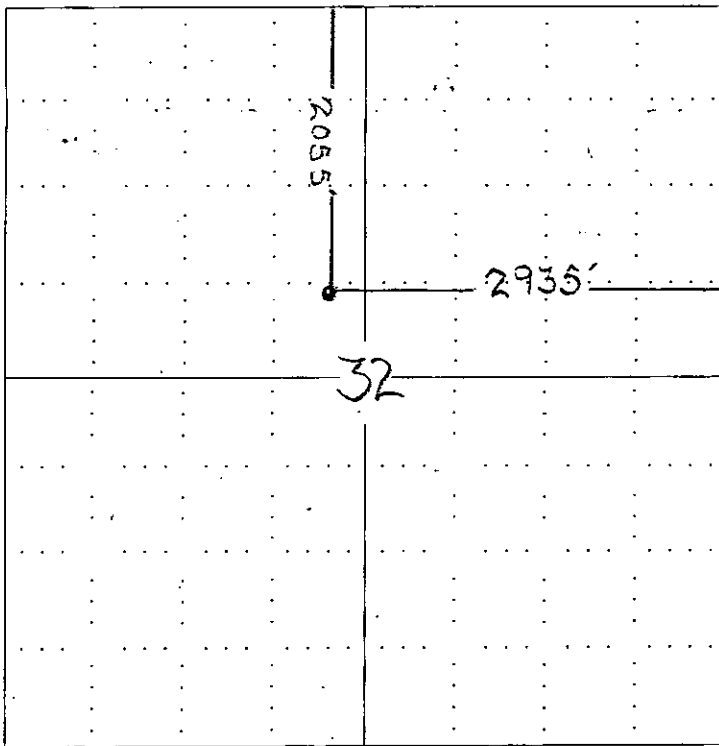
If Section is Irregular, locate well from nearest corner boundary.

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).

FORM 68 - (PRODUCER'S SPECIAL) (PAID-UP)

63U (Rev. 1993)

OIL AND GAS LEASE

Recorder No. 09-115



PO Box 790  
Wichita, KS 67201-0790  
1-800-851-1117  
1-800-851-1118  
1-800-851-1119  
www.rayco.com

AGREEMENT, Made and entered into the 21st day of January 2002

by and between Elizabeth G. Brook, a single woman

whose mailing address is 5560 Charente, Sarasota, FL 34235 hereinafter called Lessor (whether one or more)

and Raymond Oil Company, Inc. hereinafter called Lessee

Lessor, in consideration of Ten & more Dollars (\$ 10.00+) in hand paid, receipt of which is hereby acknowledged and of the royalties herein provided and of the agreement of the Lessee herein contained, hereby offers, 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, ether fluids, and air into subsurface strata, laying pipe lines, securing oil, bulking tanks, power stations, all pipes, and their respective structures 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 bonding and otherwise using for its employees, the following described land, together with any reversionary rights and after-acquired interest therein situated in County of Barber State of Kansas described as follows to-wit:

The North Half (N/2)

In Section 32 Township 31 South Range 13 West and containing 320 acres, more or less, and all accretions therein.

Subject to the provisions herein contained, this lease shall remain in force for a term of three (3) years from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituent products, or any of them, is produced from said land or from any other land owned or controlled by Lessee.

In consideration of the premises the said Lessee 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) at 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 as royalty One Dollar (\$1.00) per acre per net mineral acre retained hereunder, and if such payment or tender is made it will be considered that gas is being produced within the 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 in compliance 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 herein provided.

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 Lessee's operations thereon, except water from the well-off-lease.

When requested by Lessee, Lessor shall bury Lessee's pipe lines below plow depth.

No well shall be drilled deeper than 200 feet to the base or base now on said premises without written consent of Lessor.

Lessee shall pay for damages caused by Lessee's operations 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 herein 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 royalty 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, Lessor 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 in Lessor or Lessor's 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 of 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 Lessor 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.

Lessee 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 cover and homestead in the premises described herein, in so far as said right of cover and homestead may in any way affect the purposes for which this lease is made, as recited herein.

It is understood that the Lessee is hereby given the right and power to pool or combine the acreage covered by this lease with any other lease covering similar lands, and to promote the immediate vicinity improvements in Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said lease and 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 done in accordance with one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or any smaller unit or units not exceeding 40 acres each in the event of a gas well. Lessee shall execute so willing and record in the conveyance records of the county in which the land herein leased, an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes, as one tract of land, and production therefrom shall be treated as if it were produced in this lease. If production be found on the pooled acreage, it shall be deemed 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 the event the royalties elsewhere herein specified, Lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as Lessor's share of the acreage covered by this lease bears to the total acreage so pooled.

Lessee shall construct all access roads on the route designated by Elizabeth G. Brook or her designee.

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

Witnesses:

SS&

Elizabeth G. Brook  
Elizabeth G. Brook

SSN: 334-16-0199