

For KCC Use:  
Effective Date: Feb. 9, 2002  
District # \_\_\_\_\_  
SGA?  Yes  No

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

FEB 01 2002  
2-1-02  
Form C-1  
September 1999  
Form must be Typed  
Conservation Division Form must be Signed  
Wichita, Kansas blanks must be Filled

NOTICE OF INTENT TO DRILL

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

Expected Spud Date February 7 2002  
month day year

Spot Ap S12 N/2 N/2 Sec. 19 Twp. 33 S. R. 19  East  West  
780 feet from (N) (circle one) Line of Section  
2650 feet from (E) (circle one) Line of Section  
Is SECTION  Regular  Irregular?

OPERATOR: License# 5086  
Name: PINTAIL PETROLEUM LTD  
Address: 225 N MARKET #300  
City/State/Zip: WICHITA KS 67202  
Contact Person: INNES PHILLIPS  
Phone: 316 263-2243

(Note: Locate well on the Section Plat on reverse side)  
County: COMMANCHE  
Lease Name: BAKER FARMS Well #: 2  
Field Name: COLLIER FLATS

CONTRACTOR: License# 4958  
Name: MALLARD DRILLING

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

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

Nearest Lease or unit boundary: 1000 NE  
Ground Surface Elevation: 2010 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: 30  
Depth to bottom of usable water: 180

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

Surface Pipe by Alternate:  1  2  
Length of Surface Pipe Planned to be set: 750

Length of Conductor Pipe required: N/A  
Projected Total Depth: 5300  
Formation at Total Depth: 5300

Water Source for Drilling Operations:  
Well \_\_\_\_\_ Farm Pond \_\_\_\_\_ Other Creek

DWR Permit #: \_\_\_\_\_  
(Note: Apply for Permit with DWR)   
Will Cores be taken?  Yes  No

AFFIDAVIT \* 640 Acre tax lease - All of section 19

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: 1 Feb 2002 Signature of Operator or Agent: Walter James Phillips Title: President

For KCC Use ONLY  
API # 15 - 033-21303-0000  
Conductor pipe required NONE feet  
Minimum surface pipe required 200 feet per Alt. (1)  
Approved by: RJP 2-4-2002  
This authorization expires: 8-4-2002  
(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.

19  
33  
193

15-033-21303-0000

RECEIVED  
STATE CORPORATION COMMISSION

FEB 01 2002

2-1-02  
CONSERVATION DIVISION  
Wichita, Kansas

Side Two

**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: PINTAIL PETROLEUM LTD  
Lease: BAKER FARMS  
Well Number: #2  
Field: COLLIER FLAT

Location of Well: County: COMMANCHE  
780 feet from S (N) (circle one) Line of Section  
2650 feet from (E) (W) (circle one) Line of Section  
Sec. 19 Twp. 33 S. R. 19  East  West

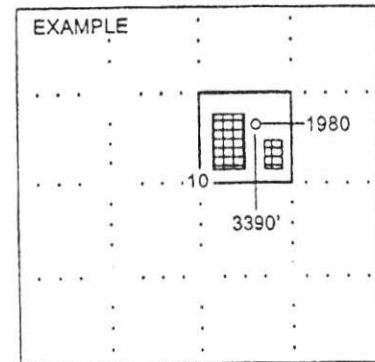
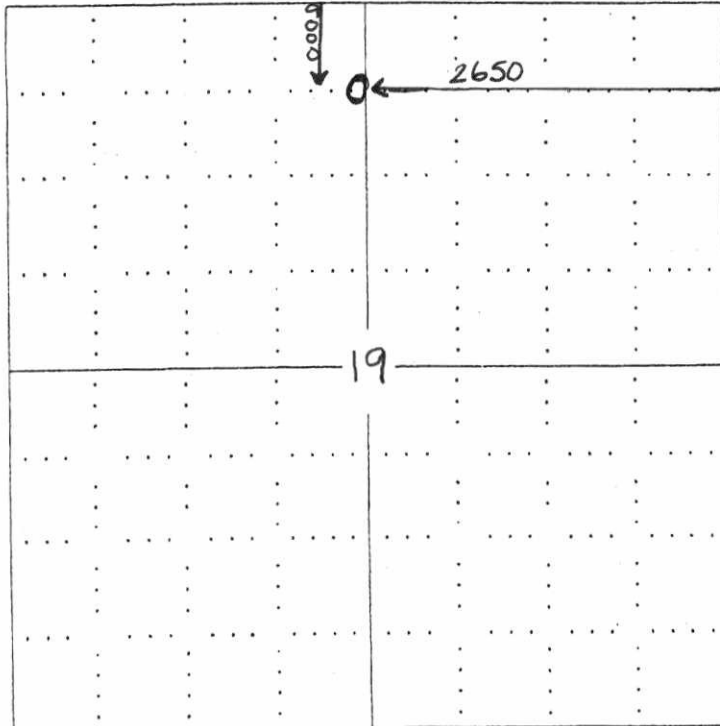
Number of Acres attributable to well: 320  
QTR / QTR / QTR of acreage: N/2 - N/2 - \_\_\_\_\_

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).

15-033-21303-0000

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

33U (Rev. 1993)

OIL AND GAS LEASE

Recorder No. 09-115

ARCADIAN BLUE PRINT CO. INC. 116-24-Arcadia P.O. Box 783 - Wichita 67207-0783

AGREEMENT, Made and entered into the 14th day of April, 2000

by and between Baker Farms, Inc. Protection, KS 67127

whose mailing address is hereinafter called Lessor (whether one or more) and Pintail Petroleum, Ltd., 225 N. Market, Suite 300, Wichita, KS 67202 hereinafter called Lessee.

Lessor, in consideration of Ten and more Dollars (\$10.00 & more) in hand paid, receipt of which is here acknowledged and of the royalties herein provided and of the agreements of the Lessee herein contained, hereby grants, leases and lets exclusively to 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 constituents products, including gas, water, other fluids, and all low sulfur lime water, saving pipe lines, mooring oil, building tanks, power stations, tele-phon lines, and other structures and things thereon to produce, save, take care of, treat, manufacture, process, store and transport said oil, liquid hydrocarbons, gases and their respective constituents products and other products manufactured therefrom, and housing and otherwise caring for its employees, the following described land, together with any reversionary rights and after-acquired interest, therein situated in County of Comanche State of Kansas described as follows to-wit:

The South 60 acres of the Northeast Quarter (NE/4) and the Southeast Quarter (SE/4) of Section 18; and the North Half (N/2) of Section 19; and the West 80 acres of the Northwest Quarter (NW/4) of Section 20, all in

Township 33 South Range 19 West and containing 620 acres, more or less, and all sections therein.

Subject to the provisions herein contained, this lease shall remain in force for a term of One (1) years from this date (called "primary term"), and as long thereafter as oil, liquid hydrocarbons, gas or other respective constituents products, or any of them, is produced from said land or land with which said land is pooled.

In consideration of the premises the said lease covenants and agrees:

Fifteen Percent (15%)

1st. To deliver to the credit of lessor, free of cost, in the pipe line in which Lessee may connect wells on said land, the equal share of all oil produced and saved from the leased premises.

Fifteen Percent (15%) Fifteen Percent (15%)

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, at the market price at the well, (but, as to gas sold by Lessee, in no event more than 80% 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 year 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 to completion 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 first mentioned.

If said Lessee 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 operation thereon, except water from the wells of lessor.

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

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

Lessee shall pay for damages caused by Lessee's operations to growing crops 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 hereto 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 or royalties 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, Lessee 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 complete and deliver in Lessee's place of record a release or releases covering any portion or portions of the above described premises and thereby surrender the same 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 Lessee 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, liens 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 covenants and releases all right of dower and homestead in the premises described herein, in so far as said right of dower and homestead may in any way affect the purposes for which this lease is made, as recited herein.

Lessee, at its 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 Lessee's judgment it is necessary or advisable to do so in order to properly develop and operate said leased 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 oil 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 type 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, Lessee shall receive on production from a unit so pooled only such portion of the royalties 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.

Lessee will notify tenant farmer, Kent Jarvagin, before any seismic work is started. Additional Permission, in writing, must be given by Baker Farms, Inc. (Kent Jarvagin) before any seismic work is done. Lessee will pay to Lessor damages in the amount of \$1850.00 for each normal drilling location, plus additional road damages to and from location (if)

It is agreed to between Lessor & Lessee that Lessee shall have the right to extend the term of this lease for an additional year upon payment of a bonus of \$6680.00, due on or before April 14, 2001.

PHOTOCOPIED

STATE OF KANSAS, COMANCHE COUNTY

This instrument was filed for record on

the 16 day of May 20 00

at 9:21 o'clock a.m. and duly recorded

in Book 93 Page 479 Feb 9 0-00

Myself Recorder of Deeds

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

Witnesses:

BAKER FARMS, INC.

By: Kent Jarvagin, Kent Jarvagin

Tax ID# 48-0967453

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