Notice of Intention to Drill

State of Kansas

(see rules on reverse side)

Expected Spud Date: March 4, 1988

API Number: 153-20

OPERATOR:

License #: 3667

Name: Presley Petroleum Co., d/b/a Source Petroleum

Address: 200 W. Douglas, Suite 820

City/State/Zip: Wichita, Kansas 67202

Contact Person: John D. Howard, Jr.

Phone: 262-7397

CONTRACTOR:

License #: 00000

Name: Unknown

City/State: Rawlins

Well Drilled For:

- [X] Oil
- [ ] Storage
- [ ] Infield
- [X] Mud Rotary
- [ ] Gas
- [ ] Inj
- [X] Pool Ext.
- [ ] Air Rotary
- [ ] OWWO
- [X] Expl
- [ ] Wildcat
- [ ] Cable

Well Class:

Type Equipment:

- [X] Oil
- [ ] Storage
- [ ] Infield
- [X] Mud Rotary
- [ ] Gas
- [ ] Inj
- [X] Pool Ext.
- [ ] Air Rotary
- [ ] OWWO
- [X] Expl
- [ ] Wildcat
- [ ] Cable

If OWWO: old well info as follows:

Operator:

Well Name:

Comp Date:

Old Total Depth:

I certify that well will comply with K.S.A. 55-101, et seq., plus eventually plugging hole to KCC specifications.

Date: 2/29/88

Signature of Operator or Agent:

Geologist/General Manager:

For KCC Use:

Conductor Pipe Required: 829 ft.

Minimum Surface Pipe Required: 300 ft. per Alt.

This Authorization Expires: 3-5-88

Approved By:

Effective Date: 3-5-88
Must be filed with the K.C.C. five (5) days prior to commencing well
This card void if drilling not started within six (6) months of date received by K.C.C.

Important procedures to follow:

1. Notify District office before setting surface casing.

2. Set surface casing by circulating cement to the top.

3. File completion forms ACO-1 with K.C.C. within 120 days of well spud date, following instructions on ACO-1, side 1, and including copies of wireline logs.

4. Notify District office 48 hours prior to old well workover or re-entry.

5. Prior to filing Intent, prepare a proposed plugging plan in case well is D & A, then obtain approval of plan when calling district office prior to setting surface pipe.

6. Submit plugging report (CP-4) to K.C.C. after plugging is completed.

7. Obtain an approved injection docket number before disposing of salt water.

8. Notify K.C.C. within 10 days when injection commences or terminates.

9. If an alternate 2 completion, cement in the production pipe from below any usable water to surface within 120 days of spud date.

State Corporation Commission of Kansas
Conservation Division
200 Colorado Derby Building
Wichita, Kansas 67202-1212
(316) 263-3238