State of Kansas

NOTICE OF INTENTION TO DRILL

Starting date  July 20  1983
Operator license #  8815
Operator  Axem Resources Incorporated
name & address  7800 E. Union Ave., #1100 Denver, CO 80237
Contact person  J.J. Ward
Phone  (303) 740-9000
Contractor license #  5665
Contractor  Pioneer Drilling
name & address  308 W. Mill Plainville, KS 67663
Type equipment: rotary  X  air  cable
Well drilled for:  oil  X  gas  SWD
Inj  X  OWWO
Well class:  infield  pool ext  X  wildcat

API Number  15-  147-20, 417-00-00
NE SE SE Sec, Sec 23, T 2 S, R 19
864 ft. from W or S line of section
527 ft. from W or E line of section
Nearest lease or unit boundary line  527 feet
County  Phillips
Lease name  Kelly-Credo-Axem
Surface pipe by alternate 1  X  or 2
Domestic well within 330 ft.  X yes; Municipal well within one mile  X no;
Depth of fresh water  150 feet
Lowest usable water formation  Dakota
Depth to bottom of usable water  700 1200 feet
Surface pipe to be set  250 feet
Conductor pipe if any required  N/A feet
Ground surface elevation  2193.5 feet MSL
Est. total depth  3600 feet

I certify that we will comply with K.S.A. 55-101, et seq., plus eventually plugging hole to KCC specs.
Date  7-11-83  Signature of operator or agent  James Ward  Title  Operations Supt.

$40 Fee Paid
Date received  7-14-83

To be filed with Kansas Corporation Commission
5 days prior to commencing well.
Card to be typed  MHC/KOE 7/14/83

form C-1
4/83
State Corporation Commission of Kansas
Conservation Division
200 Colorado Derby Bldg.
202 W. 1st St.
Wichita, Kansas 67202

(MAIL IN ENVELOPE)