NOTICE OF INTENTION TO DRILL

TO BE FILED WITH THE STATE CORPORATION COMMISSION
PRIOR TO COMMENCEMENT OF WELL

1. Operator: BEARD OIL COMPANY
   Address: 2000 Classen Center, 200 South
            Oklahoma City, OK 73106

2. Contractor: Murfin Drilling Co.
   Address: 617 Union Center, Wichita, KS 67202

3. Type of Equipment: Rotary X       Cable Tool
4. Well to be Drilled for: Oil        Gas X
   Disposal                    Input                    Other

5. Depth of Deepest Fresh Water within 1 mile: 100 (est.) ft.
6. Depth of Municipal Water Well within 3 miles: None ft.
7. Depth to Protect all Fresh Water: Base of Dakota (2000') ft.
8. Amount of Surface Casing to be set: 150 ft.
9. Alternate No. 1:                No. 2 X

OPERATOR STATES THAT HE WILL COMPLY WITH K.S.A. 55-128

API Number 15-023-20,096- (For office use only)
Starting Date: January 20, 1979
County: Cheyenne
Sec 16        Twp 2 S Rge 39 W
** Spot Location: C SE NW
Nearest Lease Line: 1980 ft.
Lease Name: Lewis-Federal
Well No.: 1-16
Est. Total Depth: 1350 ft.

Signature of Operator: James W. Vater, Jr., Vice President
for BEARD OIL COMPANY