NOTICE OF INTENTION TO DRILL

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

1. Operator: PETROLEUM MANAGEMENT, INC. Address: 1515 Vickers-KSB&T Bldg - Wichita

2. Lease name: Flanigan Well No.: 1 County: Phillips

3. Well Location: SW NW SE Sec.: 10 Township: 4S Range: 19W

4. Well to be drilled: 1650' ft. from nearest lease line.

5. Drilling Contractor: Red Tiger Drilling Co. Address: 1720 Vickers-KSB&T Bldg - Wichita

6. Type of equipment: Rotary [X] Cable Tool [ ]. Approx. date operation to begin: May 9, 1970

7. Well to be drilled for: Oil [X] Gas [ ] Disposal [ ] Input [ ] Estimated Total Depth of Well: 3450 ft.

8. Depth of deepest fresh water well within one mile of location: Unknown ft. If none exists, write NONE.

9. Ground elevation at location is approx. Unknown ft. higher or Unknown ft. lower than ground elevation at water well.

10. Depth of the deepest municipal water well within three miles of location: Unknown ft. If none exists, write NONE.

11. Operator states that he will set surface pipe at least 25 ft. below all Tertiary or unconsolidated deposits and, taking into consideration differences in ground elevations, that the minimum depth necessary, to the best of his knowledge and belief, to protect all fresh water zones is 200 ft. and operator agrees to set surface pipe at this location to a depth of not less than 200 ft. Alternate 1 [X] Alternate 2 [ ]

REMARKS:

Signature of Operator: William H. Petersen, Geologist

32-2559-519A 2-66-25M
State Corporation Commission of Kansas
Conservation Division
500 Insurance Building
212 North Market
Wichita, Kansas 67202

(IF PREFERRED, MAIL IN ENVELOPE)