NOTICE OF INTENTION TO DRILL
(see rules on reverse side)

State of Kansas

Expected Spud Date: 12 27 88

OPERATOR: License # 3916
Name: FELMONT OIL CORPORATION
Address: P.O. Box 2266
City/State/Zip: Midland, Texas 79702
Contact Person: Mr. Tom Cathey
Phone: 915-682-5231

CONTRACTOR: License # 5302
Name: Red Tiger Drilling Co.
City/State: Wichita, Kansas 67202

Well Drilled For:

<table>
<thead>
<tr>
<th>Well Class</th>
<th>Type Equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td>X Oil</td>
<td>Storage</td>
</tr>
<tr>
<td>X Gas</td>
<td>Infield</td>
</tr>
<tr>
<td>X OWWO</td>
<td>Expl</td>
</tr>
<tr>
<td>Storage</td>
<td>Mud Rotary</td>
</tr>
<tr>
<td>Infield</td>
<td>Air Rotary</td>
</tr>
<tr>
<td>Expl</td>
<td>Cable</td>
</tr>
</tbody>
</table>

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 1/4 GP specification.

Date: 12-19-88 Signature of Operator or Agent: __________________________

By: __________________________

For KCC Use:
Conductor Pipe Required: 1200 feet; Minimum Surface Pipe Required: 200 feet per Alt. 2
This Authorization Expires: 6-20-89

EFFECTIVE DATE: 12-25-88
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 unsalable 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

A Regular Section of Land
1 Mile = 5,280 Ft.