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 Ctr., 200 So., Okla. City, OK 73106

2. Contractor Excell Drilling Co.
   Address P. O. Box 305, Wray, CO 80758

3. Type of Equipment: Rotary X Cable Tool

4. Well to be Drilled for: Oil X Gas
   Disposal Input Other

5. Depth of Deepest Fresh Water within 1 mile 320 ft.
6. Depth of Municipal Water Well within 3 miles None ft.
7. Depth to Protect all Fresh Water Not available 550 ft.
8. Amount of Surface Casing to be set 350 ft.
9. Alternate No. 1 X

API Number 15-023-20,127
(For office use only)

Starting Date May 17, 1980
County Cheyenne
Sec 1 Twp 5 S Rge 40 E
Spot Location 1980' FNL & 660' FEL of
Sec 1 (C SE NE)
Nearest Lease Line 660 ft.
Lease Name HEITSCHMIDT
Well No. 1
Est. Total Depth 1700 ft.

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

BEARD OIL COMPANY

Signature of Operator By: James W. Vater, Jr., Vice President
State Corporation Commission of Kansas
Conservation Division
245 North Water
Wichita, Kansas 67202

(IF PREFERRED, MAIL IN ENVELOPE)