NOTICE OF INTENTION TO DRILL

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

1. Operator  Petroleum Management, Inc.
   Address  400 N. Woodlawn, Suite 201, Wichita, KS 67208

2. Contractor  Red Tiger Drilling Co.
   Address  1720 KSB&T Bldg., Wichita, KS 67202

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  300 ft.
6. Depth of Municipal Water Well within 3 miles  None
7. Depth to Protect all Fresh Water  550 ft.
8. Amount of Surface Casing to be set  325 ft.
9. Alternate No. 1  No. 2  X

REMARKS:  FEE 5-1-81
   PC # 6075

API Number 15-163-21 311
(For office use only)  00-00

Starting Date  June 2, 1981

County  Rooks

Sec 6  Twp 6  S Rge 20  X

Spot Location  550' FWL  330' FSL NE/4

Nearest Lease Line  330 ft.

Lease Name  McClurg

Well No.  3

Est. Total Depth  3600 ft.

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

Signature of Operator  [Signature]

PC # 6075
State Corporation Commission of Kansas
Conservation Division
P.O. Box 17027
Wichita, Kansas 67217

New Address
245 North Water
Wichita, Kansas 67202

(IF PREFERRED, MAIL IN ENVELOPE)

5-1-81