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
   Pioneer Drilling Co.
   Address 308 W. Mill, Plainville, Ks. 67663

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  ft.
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:

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

Signature of Operator  Dale Smith

API Number 15-163-21,028
(For office use only)  00-00

Starting Date January 19, 1980

County Rooks

Sec 6  Twp 6  S Rge 20 W

Spot Location NE SW NE

Nearest Lease Line 990 ft.

Lease Name McClurg

Well No. 1

Est. Total Depth 3600 ft.
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)