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    35     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    180     ft.

9. Alternate No. 1    No. 2    X

REMARKS:

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

Signature of Operator    

API Number    15-065-21,200   
(For office use only)    00-00

Starting Date    January 13, 1980

County    Graham

Sec.    1    Twp.    6    S    Rge.    21    W

Spot Location    NW NE NW

Nearest Lease Line    280    ft.

Lease Name    Lappin

Well No.    1

Est. Total Depth    3600    ft.