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

Starting Date: January 2, 1987

API Number: 63-22,906-00-00

OPERATOR: License #: 04981
Name: Cholla Resources Inc.
Address: P.O. Box 1428
Golden, Colorado 80402-1428
Contact Person: William Goff
Phone: (303) 526-1425

CONTRACTOR: License #: 9087
Name: R&C Drilling Co. Inc.
City/State/Zip: Hays, Kansas

Well Drilled For: Type Equipment:
- Oil _ SWD _ Infield _ Mud Rotary
- Gas _ Inj _ Pool Ext. _ Air Rotary
- OWWO _ Expl _ Wildcat _ Cable

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 KCC specifications.
Date .......... Signature of Operator or Agent .............. Title ..........

For KCC Use:
Conductor Pipe Required .......... feet; Minimum Surface Pipe Required .......... feet per Alt.
This Authorization Expires .......... 6-15-87

Approved By .......... 12-15-86

State of Kansas
CARD MUST BE SIGNED
CARD MUST BE TYPED

[Signature]
[Title]

[Signature]
[Title]
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 90 days of well completion, 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 any usable water to surface within 120 days of spud date.

State Corporation Commission of Kansas
Conservation Division
200 Colorado Derby Building
Wichita, Kansas 67202
(316) 263-3238