NOTICE OF INTENTION TO DRILL

State of Kansas
(see rules on reverse side)

Starting Date: 4.11.85

month day year 3:40

OPERATOR: License # 6280
Name H. K. & W. OIL OPERATIONS, INC.
Address P.O. Box 1851
City/State/Zip Salina, Kansas 67401
Contact Person Orville Kaufman
Phone 316/793-7327

CONTRACTOR: License # 5929
Name DUKE DRILLING CO., INC.
City/State Great Bend, Kansas 67530

Well Drilled For: Oil Gas Swd Infield Expl
Well Class: Infeld Pool Ext. Wildcat
Type Equipment: Mud Rotary Air Rotary Cable

API Number 163-22,669-00 - 00

NW: NE NE See 31 Twp 7 S, Rge 19 X West
0050 Ft North from Southeast Corner of Section
1890 Ft West from Southeast Corner of Section
(Note: Locate well on Section Plat on reverse side)

Nearest lease or unit boundary line 330 feet.

County Rooks
Lease Name Schoeller
Well# 3
Domestic well within 330 feet: no
Municipal well within one mile: no

Depth to Bottom of fresh water 50 feet
Lowest usable water formation Dakota
Depth to Bottom of usable water 775 feet
Surface pipe by Alternate: 1 2
Surface pipe to be set 1200 feet
Conductor pipe if any required 1350 feet MSL
Ground surface elevation 1935 feet MSL

This Authorization Expires 10.10.85

Approved By 4.10.85

I certify that we will comply with K.S.A. 55-101, et seq., plus eventually plugging hole to K.C.C. specifications.

Date 4/10/85
Signature of Operator or Agent Sally R. Byers
Title Agent

Form C-1 4/84
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 plugging, prepare a plugging plan, then obtain agreement from the appropriate district office for an approved plugging plan.
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