State of Kansas

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

Expected Spud Date: 3 month 14 day 1988 year

OPERATOR: License # 3523
Name KERR MANAGEMENT
Address 9701 E. Arapahoe Rd
City/State/Zip Englewood, Colo. 80112
Contact Person Bob Sadler
Phone (913) 756-2223

CONTRACTOR: License # 6451
Name Big Bell Drilling
City/State Centerville, Kans. 66014

Well Drilled For: Oil Storage 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

API Number 15—121-26889—000

SW SW SW Sec. 3 Twp. 17 S, Rg. 22 W

Ft. from South Line of Section
Ft. from East Line of Section

(Note: Locate well on Section Plat on reverse side)
Nearest lease or unit boundary line 605 feet
County MIAMI
Lease Name SHOFNER Well # 4
Ground surface elevation feet MSL
Domestic well within 330 feet: yes
Municipal well within one mile: yes

Depth to bottom of fresh water: 30
Depth to bottom of usable water 200

Surface pipe by Alternate: 1 2 x
Surface pipe planned to be set 20
Conductor pipe required None
Projected Total Depth 700 feet
Formation Squirrel

I certify that well will comply with K.S.A. 55-101, et seq., plus eventually plugging hole @ KCC specifications.

Date 3-8-88 Signature of Operator or Agent Dr. Jack Underly Title Agent

For KCC Use:
Conductor Pipe Required 20 feet; Minimum Surface Pipe Required 20 feet per Alt. x

This Authorization Expires 3-8-88

Approved By 3-8-88

EFFECTIVE DATE 3-13-88
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 120 days of well spud date, 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 67202-1212
(316) 263-3238