NOTICE OF INTENTION TO DRILL

State of Kansas
(see rules on reverse side)

Starting Date: June 25, 1984

OPERATOR: Beacon Exploration Company
License #: 5342
Name: David R. Kranz
Address: 410 17th St., Ste. 2300
City/State/Zip: Denver, CO 80202
Phone: (303) 825-1966

CONTRACTOR: Murfin Drilling Co.
License #: 6033
Name: Wichita, Kansas

Well Drilled For:
[ ] Oil [ ] Gas [ ] OWWO [ ] Expl [ ] Wildcat
[ ] Swd [ ] Inj [ ] Pool Ext. [ ] Wildcat [ ] Cable
[ ] Infield [ ] Mud Rotary [ ] Air Rotary

API Number: 065-22, 008-00-00

Location: NE NE NW, See 10 Twp 7 S, Rge 25

4950 Ft North from Southeast Corner of Section
1650 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: Graham
Lease Name: Dugan
Well #: 1-10

Domestic well within 330 feet: [ ] yes [x] no
Municipal well within one mile: [ ] yes [ ] no

Depth to Bottom of fresh water: 100-150 feet

Lowest usable water formation: Dakota

Depth to Bottom of usable water: 1200-1400 feet

Surface pipe by Alternate: 1 [x] 2 [ ]

Surface pipe to be set: 250 feet

Conductor pipe if any required: feet

Ground surface elevation: 2505 feet MSL

This Authorization Expires: 12-18-84

Approved By: 6-18-84

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

Date: 6/15/84

Signature of Operator or Agent: David R. Kranz
Title: Drilling/Production Engineer

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