NOTICE OF INTENTION TO DRILL

State of Kansas
(see rules on reverse side)

Starting Date .......... 12 month 29 day 86 year

OPERATOR: License # .......... 9826
Name .......... Scarth Oil & Gas Co.
Address .......... 901 S. Polk
City/State/Zip .......... Amarillo, TX 79101
Contact Person .......... J. F. Howell, III
Phone .......... (806) 373-6932

CONTRACTOR: License # .......... 5422
Name .......... Abercrombie Drilling, Inc.
City/State .......... Wichita, KS

Well Drilled For: Well Class: Type Equipment:
X Oil SWD Infield X Mud Rotary
X Gas Inj Pool Ext. Air Rotary
X 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 .......... 12-16-86 Signature of Operator or Agent .......... Stan Scarth

For KCC Use:
Conductor Pipe Required .......... feet; Minimum Surface Pipe Required .......... 2,800 feet per Alt. 4 & 2
This Authorization Expires .......... 6-18-87
Approved By .......... 12-18-86
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.

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) 26343238