NOTICE OF INTENTION TO DRILL

TO BE FILED WITH THE STATE CORPORATION COMMISSION PRIOR TO COMMENCEMENT OF WELL

1. Operator: PETROLEUM MANAGEMENT, INC.
   Address: 1515 Vickers KSB&T Bldg. Wichita

2. Contractor: Red Tiger Drilling Company
   Address: 1720 Vickers KSB&T Bldg. Wichita

3. Type of Equipment: Rotary X Cable Tool
4. Well to be Drilled for: Oil X Gas

Disposal: Input Other

5. Depth of Deepest Fresh Water within 1 mile: NONE ft.
6. Depth of Municipal Water Well within 3 miles: NONE ft.
7. Depth to Protect all Fresh Water: 200 ft.
8. Amount of Surface Casing to be set: 200 ft.
9. Alternate No. 1: X No. 2

REMARKS: Samples will be saved from 1800' to total depth & turned in to State Geological Survey.

API Number 15-141-20,018-(For office use only) 00-00
Starting Date: 3-1-73
County: Osborne
Sec: 14 Twp: 8S S Rge: 14W E
Spot Location: SW SW SW
Nearest Lease Line: 330 ft.
Lease Name: Bales
Well No.: #1
Est. Total Depth: 3450 ft.

OPERATOR STATES THAT HE WILL COMPLY WITH K.S.A. 55-128

Signature of Operator

Dale Silcott, Vice President