NOTICE OF INTENTION TO DRILL

State of Kansas
(see rules on reverse side)

CARD MUST BE TYPED

Starting Date: JULY 29 1985

OPERATOR: License # 9427
Name Sharp Engineering Oil Operations
Address 708 One Main Place
City/State/Zip Wichita Kansas 67202
Contact Person Gary Sharp
Phone 316-265-9825

CONTRACTOR: License # 4033
Name Murfin Drilling Company
City/State Wichita, Kansas

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

If OWWO: old well info as follows:
Operator
Well Name
Comp Date Old Total Depth
Projected Total Depth 3450 feet
Projected Formation at TD Arbuckle
Expected Producing Formations Arbuckle

API Number 163-22729-0000
NE NE NW Sec 7 Twp 8 S, Rge 17 X West
4950 Ft North from Southeast Corner of Section
2970 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 Champaugh
Well # 1

Domestic well within 330 feet: □ yes □ no
Municipal well within one mile: □ yes □ no

Depth to Bottom of fresh water 200 feet
Lowest usable water formation DAKOTA 850 feet
Depth to Bottom of usable water 700 feet
Surface pipe by Alternate
Surface pipe to be set 3000 feet
Conductor pipe if any required
Ground surface elevation feet MSL
This Authorization Expires JAN. 26, 1996
Approved By RH 7-25-86

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

Date 7/26/85 Signature of Operator or Agent Gary Sharp
Title Partner/Engineer

Form C-1 4/84
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) 262-3230