NOTICE OF INTENTION TO DRILL

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

1. Operator: SCIMITAR RESOURCES, LTD
   Address: P. O. Box 211, Paola, KS. 66071

2. Contractor: KEHM, Inc.
   Address: Mound City, KS. 66056

3. Type of Equipment: Rotary XX Cable Tool
4. Well to be Drilled for: Oil XX Gas
   Disposal: Input Other
5. Depth of Deepest Fresh Water within 1 mile: none ft.
7. Depth to Protect all Fresh Water: 200 ft.
8. Amount of Surface Casing to be set: 70 ft.
9. Alternate No. 1: No. 2 X

REMARKS:
DRLD BY KEHM

API Number: 15-121-21,339
(For office use only)
This well was drilled by:
Starting Date: Dec. 14, 1979

County: Miami
Ne 11 Twp 17 S Rge 24 E
Spot Location: 56' ns 797' wel
Nearest Lease Line: 56 ft.
Lease Name: Mills
Well No.: S-3
Est. Total Depth: 430 ft.

OPERATOR STATES THAT HE WILL COMPLY WITH K.S.A. 55-138

Signature of Operator: [Signature]

R. Zander