

CARD MUST BE TYPED

State of Kansas

CARD MUST BE SIGNED

NOTICE OF INTENTION TO DRILL

(see rules on reverse side)

Expected Spud Date. April 15, 1988
month day year

API Number 15- 153-20,711-00-00

OPERATOR: License # 3667

NE SW NE Sec. 24 Twp. 1 S, Rg. 33 X East West

Name Source Petroleum A Division of Presley

Petroleum Co. 3630 Ft. from South Line of Section

Address 200 W. Douglas, Suite #820

1650 Ft. from East Line of Section

City/State/Zip Wichita, Kansas 67202

(Note: Locate well on Section Plat on reverse side)

Contact Person John D. Howard, Jr.

Nearest lease or unit boundary line 330 feet

Phone 316-262-7397

County Rawlins

CONTRACTOR: License # 6033

Lease Name Timm A Well # 3

Name Murfin Drilling Company

Ground surface elevation 2994 feet MSL

City/State Wichita, Kansas 67202

Domestic well within 330 feet: yes X no

Well Drilled For: Well Class: Type Equipment:

Municipal well within one mile: yes X no

X Oil Storage Infield X Mud Rotary

Depth to bottom of fresh water 250

Gas Inj X Pool Ext. Air Rotary

Depth to bottom of usable water 250

OWWO X Expl Wildcat Cable

Surface pipe by Alternate: 1 X 2

If OWWO: old well info as follows:

Surface pipe planned to be set 300

Operator

Conductor pipe required None

Well Name

Projected Total Depth 4600 feet

Comp Date Old Total Depth

Formation Arbuckle

I certify that well will comply with K.S.A. 55-101, et seq., plus essentially plugging hole to KCC specifications.

Date 4-05-88 Signature of Operator or Agent John D. Howard, Jr.

Title Geologist/General Manager

For KCC Use:

Conductor Pipe Required _____ feet; Minimum Surface Pipe Required 300 feet per Alt. 1 X

This Authorization Expires 10-6-88 Approved By PCA 4-6-88

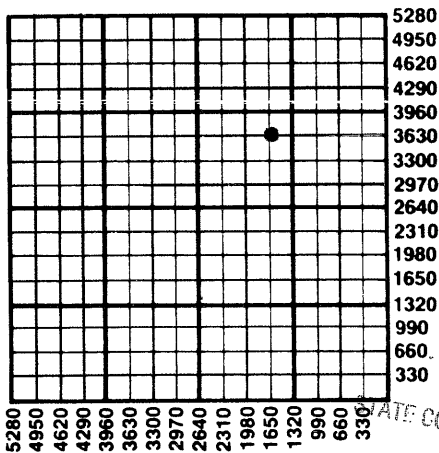
EFFECTIVE DATE: 4-11-88

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 120 days of well spud date, 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.
9. If an alternate 2 completion, cement in the production pipe from below any usable water to surface within 120 days of spud date.

A Regular Section of Land
1 Mile = 5,280 Ft.



RECEIVED
 STATE CORPORATION COMMISSION

APR - 6 1988
 4-6-88
 CONSERVATION DIVISION
 Wichita, Kansas

State Corporation Commission of Kansas
 Conservation Division
 200 Colorado Derby Building
 Wichita, Kansas 67202-1212
 (316) 263-3238