

NOTICE OF INTENTION TO DRILL

(see rules on reverse side)

Expected Spud Date..... 10/10/88
month day year

API Number 15- 125-29,101-00-00 ✓ 6
XX
East

OPERATOR: License # 4469
Name KELT ENERGY
Address 900 COLLEGE DRIVE
City/State/Zip INDEPENDENCE 67301
Contact Person FADI NAMMOUR
Phone (316) 331-0207
9350

App C SW Sec 12 Twp 34 S, Rg 13
1440
3900
Ft. from South Line of Section
Ft. from East Line of Section

(Note: Locate well on Section Plat on reverse side)
Nearest lease or unit boundary line 1260 feet
County MONTGOMERY

CONTRACTOR: License #
Name THOMPSON DRILLING CO., INC.
City/State 125 S. 26TH ST., PO BOX 67301

Lease Name PENDELTON Well # KHHE-3
APP 1100

Well Drilled For: Well Class: Type Equipment:
XX Oil Storage XX Infield XX Mud Rotary
Gas Inj Pool Ext Air Rotary
OWWO Expl Wildcat Cable

Ground surface elevation feet MSL
Domestic well within 330 feet: yes XX no
Municipal well within one mile: yes XX no

If OWWO: old well info as follows:

Operator
Well Name
Comp Date Old Total Depth

Depth to bottom of fresh water 140
Depth to bottom of usable water 175
Surface pipe by Alternate: 1 2 XX
Surface pipe planned to be set 20
Conductor pipe required *****
Projected Total Depth 1500 feet
Formation MISSISSIPPI

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

Date 10/10/88 Signature of Operator or Agent [Signature] Title AS AGENT

For KCC Use:

Conductor Pipe Required feet; Minimum Surface Pipe Required 20' feet per Alt. X (2)
This Authorization Expires 1-10-89 Approved By [Signature] 10-10-88

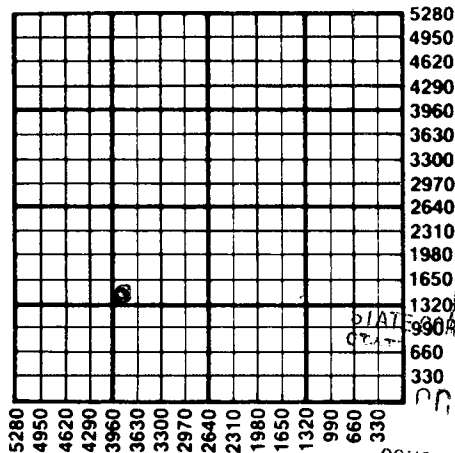
EFFECTIVE DATE: 10-15-88

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.
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
OCT 10 1988
CONSERVATION DIVISION
Wichita, Kansas

10-10-88

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