

NOTICE OF INTENTION TO DRILL

(see rules on reverse side)

Expected Spud Date... APRIL 6, 1987 month day year

API Number 15- 099-22,552-00-008

OPERATOR: License # #4469
Name... KELT OIL AND GAS ENERGY, INC.
Address... 900 COLLEGE STREET
City/State/Zip... INDEPENDENCE, KS 67301
Contact Person... JEFF GOODRICH
Phone... 316-331-0207

Sec. 25 Twp. 32 S, Rg 17
Name... KANE SW NE
3465 Ft. from South Line of Section
1815 Ft. from East Line of Section

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

CONTRACTOR: License # 9350
Name... THOMPSON DRILLING CO., INC.
City/State... BOX 605, INDEPENDENCE, KS 67301

Nearest lease or unit boundary line 825 feet
County... LABETTE
Lease Name... PERRY Well # KDP-21

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

Ground surface elevation feet MSL
Domestic well within 330 feet: yes X no
Municipal well within one mile: yes X no
Depth to bottom of fresh water 50
Depth to bottom of usable water 200

If OWWO: old well info as follows:

Operator
Well Name
Comp Date Old Total Depth

Surface pipe planned to be set 20
Conductor pipe required
Projected Total Depth 800 feet
Formation BARTLESVILLE

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

Date 4/3/87 Signature of Operator or Agent Greg Engeman Title AS AGENT

For KCC Use:

Conductor Pipe Required feet; Minimum Surface Pipe Required 20 feet per Alt. 9
This Authorization Expires 10-4-87 Approved By 4-3-87

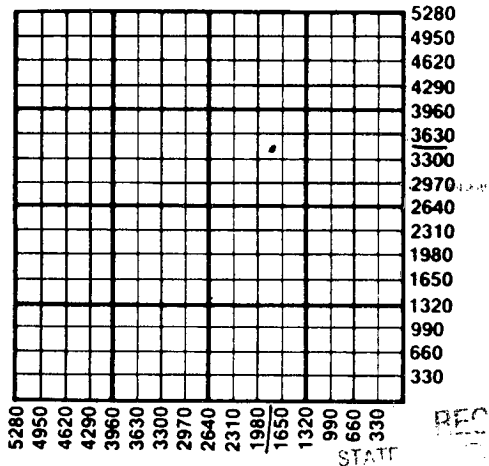
Handwritten signature and initials at bottom right.

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

APR 3 1987
 4-3-87
 GENERAL INVESTIGATION DIVISION
 Wichita, Kansas

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