

NOTICE OF INTENTION TO DRILL

(see rules on reverse side)

Starting Date ... March 22, 1986 ... month day year

API Number 15- 099-22,442-00-00

OPERATOR: License # 4469
Name Kelt Energy, Inc.
Address 300 E. Main
City/State/Zip Cherryvale, KS 67335
Contact Person Dan Gralla
Phone (316) 336-2162

app NE SW NE Sec 25 Twp 32 S, Rg 17
3708 Ft. from South Line of Section
1485 Ft. from East Line of Section

X East

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

CONTRACTOR: License # 9350
Name Thompson Drilling Co., Inc.
City/State Independence, KS 67301

Nearest lease or unit boundary line 825 feet
County Labette
Lease Name Perry Well # KDP-24

Ground surface elevation n.a. feet MSL
Domestic well within 330 feet: yes X no
Municipal well within one mile: yes X no

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

Depth to bottom of fresh water 50
Depth to bottom of usable water 200
Surface pipe by Alternate 1 2 X
Surface pipe planned to be set 20
Conductor pipe required
Projected Total Depth 800 feet
Formation Bartlesville

If OWWO: old well info as follows:

Operator
Well Name
Comp Date Old Total Depth

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

Date 3/21/86 Signature of Operator or Agent Elwin Barber Title As Agent

For KCC Use:

Conductor Pipe Required feet; Minimum Surface Pipe Required 20 feet per Alt. 1 2
This Authorization Expires 3-21-86 Approved By 3-21-86

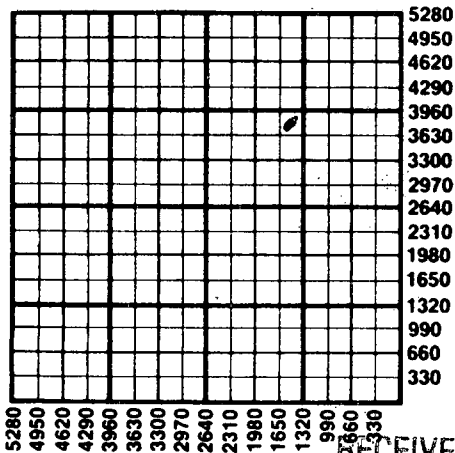
ELWIN BARBER

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 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 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

MAR 21 1986

CONSERVATION DIVISION

3-21-86

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