

NOTICE OF INTENTION TO DRILL

(see rules on reverse side)

Starting Date ^{Sept} Aug 19, 1986 month day year

API Number 15- 099-22,497-0000 SC East

OPERATOR: License # 4469

App. NW NE SE Sec. 25 Twp. 32 S, Rg. 17 West

Name Kelt Energy, Inc.

2388 Ft. from South Line of Section

Address 900 College Street

825 Ft. from East Line of Section

City/State/Zip Independence, Kansas 67301

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

Contact Person Bob Blythe

Nearest lease or unit boundary line 825 feet

Phone (316) 331-0207

County MONTGOMERY LABETTE

CONTRACTOR: License # 9350

Lease Name Perry Well # KDP-39

Name Thompson Drilling Co., Inc.

Ground surface elevation n/a feet MSL

City/State Box 605, Independence, KS 67301

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 SWD Infield Mud Rotary

Depth to bottom of fresh water 50

Gas Inj Pool Ext Air Rotary

Depth to bottom of usable water ~~350~~ 200

OWWO Expl Wildcat Cable

Surface pipe by Alternate: 1 2 X

If OWWO: old well info as follows:

Surface pipe planned to be set 20

Operator

Conductor pipe required n/a

Well Name

Projected Total Depth 1050 feet

Comp Date Old Total Depth

Formation Bartlesville

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

Date 9/04/86 Signature of Operator or Agent Elaine Barber Title As. Agent

For KCC Use: Conductor Pipe Required feet; Minimum Surface Pipe Required feet per Alt. #2

This Authorization Expires 3-4-87 Approved By 9-4-86

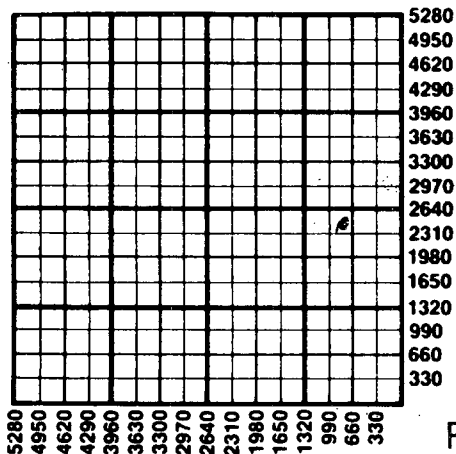
Handwritten signature and initials at bottom right.

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 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 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

SEP 4 - 1986
 9-4-86
 CONSERVATION DIVISION
 Wichita, Kansas

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