

CARD MUST BE TYPED

State of Kansas

CARD MUST BE SIGNED

NOTICE OF INTENTION TO DRILL

(see rules on reverse side)

Expected Spud Date.....9.....8.....87.....
month day year

API Number 15-

125-28,640-00-00

OPERATOR: License # 4469
Name.....KELT ENERGY
Address.....900 COLLEGE AVE.
City/State/Zip.....INDEPENDENCE, KS 67301
Contact Person.....PETE JOHNSON
Phone.....3160331-0207

NE NE SW Sec. 12 Twp. 34 S, Rg. 13E
2475..... Ft. from South Line of Section
2805..... Ft. from East Line of Section

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

CONTRACTOR: License #
Name.....
City/State.....UNKNOWN

Nearest lease or unit boundary line 165 feet
County.....MONTGOMERY.....
Lease Name.....PENDLETON..... Well # KHHE 1

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

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

If OWWO: old well info as follows:
Operator.....
Well Name.....
Comp Date..... Old Total Depth.....

Depth to bottom of fresh water.....
Depth to bottom of usable water 175
Surface pipe by Alternate: 1 2
Surface pipe planned to be set 20
Conductor pipe required NA
Projected Total Depth 900 feet
Formation.....WEISER.....

I certify that well will comply with K.S.A. 55-101, et seq., plus eventually plugging hole to KCC specifications.
Date.....9-2-87..... Signature of Operator or Agent..... Title..... Agent.....

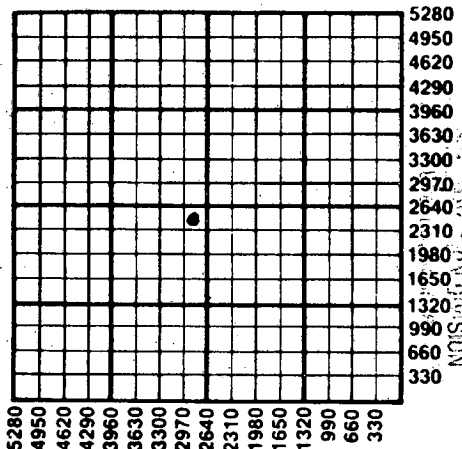
For KCC Use:
Conductor Pipe Required feet; Minimum Surface Pipe Required 20 feet per Alt. X (2)
This Authorization Expires 3-8-88 Effective 9-13-87
Approved By..... 9-8-87

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.



STATE CORPORATION COMMISSION
 RECEIVED

SEP 4 1987

9-4-87

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