

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 15-125-28,643-00-00

OPERATOR: License # 4469
Name..... KELT ENERGY INC.
Address..... 900 COLLEGE AVE.
City/State/Zip..... INDEPENDENCE, KS 67301
Contact Person..... PETE JOHNSON
Phone..... 316-331-0207

SE NE SW Sec..... 12 34 13E — East
18.15 West
3.135 Ft. from South Line of Section
..... Ft. from East Line of Section

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

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

Nearest lease or unit-boundary line 49.5 feet
County..... MONTGOMERY
Lease Name..... PENDLETON Well #..... KHHE 4

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

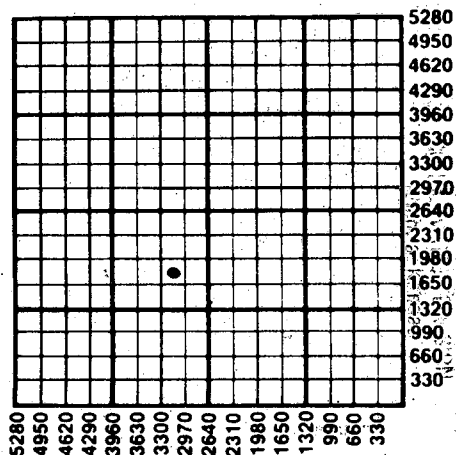
If OWWO: old well info as follows:
Operator
Well Name
Comp Date Old Total Depth.....

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

A Regular Section of Land
1 Mile = 5,280 Ft.



SEP 4 1987

STATE CORPORATION COMMISSION

RECEIVED

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.

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

9-9-87