

NOTICE OF INTENTION TO DRILL

(see rules on reverse side)

Expected Spud Date... 12 month 30 day 87 year

API Number 15- 193-20,460-0000

Handwritten initials: V D + A

OPERATOR: License # 9152
Name MAREXCO
Address 3413 Springhill Drive
City/State/Zip Edmond, OK 73013
Contact Person Stephen W. Marden
Phone (405) 340-6387

NE. NW. NW Sec. 36 Twp. 10 S, Rg. 31
4950 Ft. from South Line of Section
4290 Ft. from East Line of Section

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

CONTRACTOR: License # 9087
Name R & C Drilling Co., Inc.
City/State Hays, Kansas

Nearest lease or unit boundary line 330 feet
County Thomas
Lease Name Miller Well # 1-36

Ground surface elevation 2931 feet MSL
Domestic well within 330 feet: yes X no
Municipal well within one mile: yes X no
Depth to bottom of fresh water 200'
Depth to bottom of usable water 1700'

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

Surface pipe by Alternate:
Surface pipe planned to be set 280' Alt. 2
Conductor pipe required
Projected Total Depth 4650 feet
Formation Mississippian

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 12/11/87 Signature of Operator or Agent Stephen W. Marden Title Sale Proprietor

For KCC Use:

Conductor Pipe Required 6-17-88 feet Minimum Surface Pipe Required 250 feet per Alt. X 2

This Authorization Expires 6-17-88 Approved By PCH 12-17-87

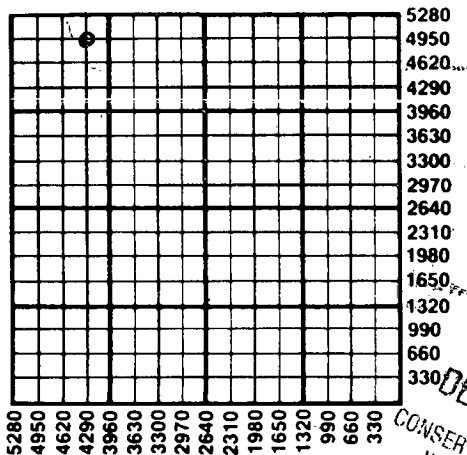
EFFECTIVE DATE: 12-22-87

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.

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



RECEIVED
12-16-87
DEC 16 1987
CONSERVATION DIVISION
Wichita, Kansas

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