

CARD MUST BE TYPED

State of Kansas

CARD MUST BE SIGNED

NOTICE OF INTENTION TO DRILL

(see rules on reverse side)

Starting Date 2-20-87
month day year

API Number 15— 135-23, 101-00-00

OPERATOR: License # 5399
Name American Energies Corporation
Address 575 Fourth Financial Center
City/State/Zip Wichita, Kansas 67202
Contact Person Alan DeGood
Phone 316-263-5785

SW SW NE Sec. 28 Twp. 16 S, Rg. 21 XX East
2970 Ft. from South Line of Section
2310 Ft. from East Line of Section

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

CONTRACTOR: License # 5147
Name Beredco, Inc.
City/State Wichita, Kansas

Nearest lease or unit boundary line 330 feet
County Ness
Lease Name Stephens Well # A-1

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

Ground surface elevation +2270' feet MSL
Domestic well within 330 feet: — yes no
Municipal well within one mile: — yes no

If OWWO: old well info as follows:

Depth to bottom of fresh water 200'
Depth to bottom of usable water 550' (650)
Surface pipe by Alternate: 1 ___ 2

Operator
Well Name
Comp Date Old Total Depth

Surface pipe planned to be set 350'
Conductor pipe required NA
Projected Total Depth 4250' feet
Formation Mississippian

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

Date 2-9-87 Signature of Operator or Agent Alan DeGood Title Vice-President
Alan DeGood

For KCC Use:

Conductor Pipe Required feet; Minimum Surface Pipe Required 220 feet per Alt. 4/2
This Authorization Expires 5-12-87 Approved By 2-12-87

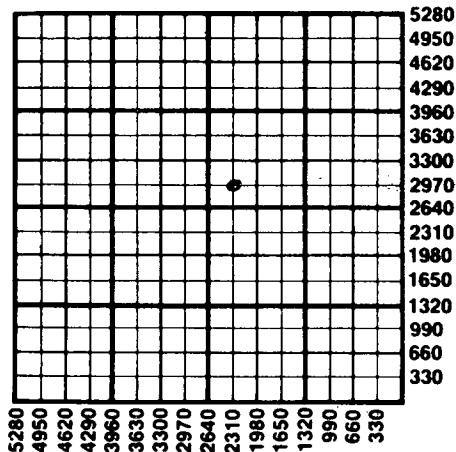
[Handwritten signatures and initials]

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.
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.
5. 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

FEB 12 1987

CONSERVATION DIVISION

Wichita, Kansas

02-12-1987

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