

NOTICE OF INTENTION TO DRILL

(see rules on reverse side)

VTA

Expected Spud Date. May 20, 1988
month day year

API Number 15-135-23,242-00-00

OPERATOR: License # 5399
Name American Energies Corporation
Address 155 North Market, Suite 710
City/State/Zip Wichita, Kansas 67202
Contact Person Alan L. DeGood
Phone 316-263-5785

NE NW NE Sec. 29 Twp. 16 S. Rg. 21 East
West
4960 Ft. from South Line of Section
1560 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 300 feet
County Ness
Lease Name Hiltabidle Well # D.#1
Ground surface elevation 2268 feet MSL
Domestic well within 330 feet: yes no X
Municipal well within one mile: yes no X
Depth to bottom of fresh water 160
Depth to bottom of usable water 650
Surface pipe by Alternate: 1 2 X
Surface pipe planned to be set 250
Conductor pipe required N/A
Projected Total Depth 4250 feet
Formation Mississippian

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

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 4-20-88 Signature of Operator or Agent Alan L. DeGood Title Vice-President

For KCC Use:
Conductor Pipe Required feet; Minimum Surface Pipe Required 200 feet per Alt. X(2)
This Authorization Expires 10-25-88 Approved By PLH 4-25-88

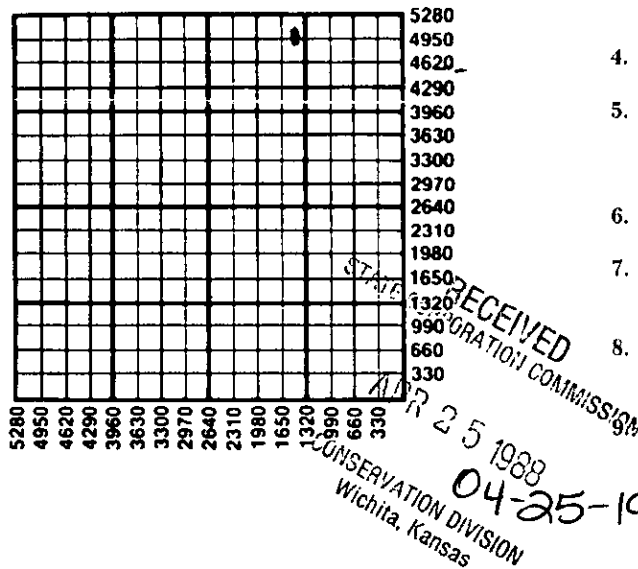
EFFECTIVE DATE: 4-30-88

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.



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