

CARD MUST BE TYPED

State of Kansas
NOTICE OF INTENTION TO DRILL
(see rules on reverse side)

CARD MUST BE SIGNED

Starting Date: 7-15-85
.....
month day year

API Number 15- 135-22,863-0000

OPERATOR: License # 5318
Name Energy Reserves Group, Inc.
Address 925 Patton Road
City/State/Zip Great Bend, KS 67530
Contact Person Jim Sullivan
Phone 316-792-2756

C. NE NE. Sec 31. Twp 20. S. Rge 25.
(location) East West

4620 Ft North from Southeast Corner of Section
660 Ft West from Southeast Corner of Section
(Note: Locate well on Section Plat on reverse side)

CONTRACTOR: License #
Name
City/State

Nearest lease or unit boundary line 660 feet.
County Ness
Lease Name Slagle Well# 1-31

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

Domestic well within 330 feet: yes no
Municipal well within one mile: yes no

Depth to Bottom of fresh water 550 feet
Lowest usable water formation Dakota
Depth to Bottom of usable water 550 feet
Surface pipe by Alternate: 1 2
Surface pipe to be set 600 feet
Conductor pipe if any required None feet
Ground surface elevation 2505 feet MSL
This Authorization Expires 1-3-86
Approved By 7-3-85 *[Signature]*

If OWWO: old well info as follows:

Operator
Well Name
Comp Date Old Total Depth
Projected Total Depth 4800 feet
Projected Formation at TD Mississippi
Expected Producing Formations Mississippi

REC for KDHE
[Signature]
District Engineer
Form C-1 4/84

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

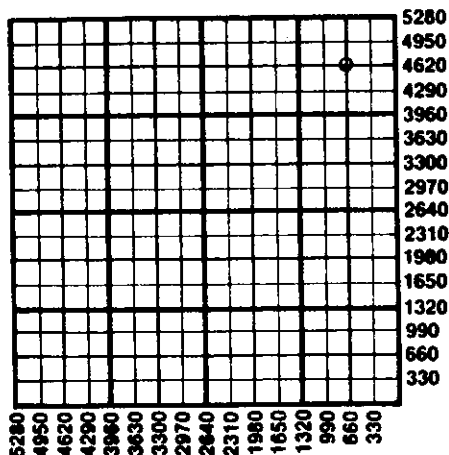
Date 7-2-85 Signature of Operator or Agent Jim W. Sullivan Title District Engineer

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.

RECEIVED
STATE CORPORATION COMMISSION
7-3-85
JUL 03 1985

Important procedures to follow: CONSERVATION DIVISION
Wichita, Kansas

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



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.
5. Prior to plugging, prepare a plugging plan, then obtain agreement from the appropriate district office for an approved plugging plan.
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
(316) 263-3238