

NOTICE OF INTENTION TO DRILL

(see rules on reverse side)

Expected Spud Date. December 7, 1988
month day year

API Number 15- 077-21,187-00-06

DA

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

NW NE NW Sec. 10 Twp. 34 S, Rg. 6
4950 Ft. from South Line of Section
3630 Ft. from East Line of Section

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

CONTRACTOR: License # 5418
Name Allen Drilling Company
City/State Great Bend

Nearest lease or unit boundary line 330 feet
County Harper
Lease Name Mayo Well # 1

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

Ground surface elevation N/A feet MSL
Domestic well within 330 feet: yes X no
Municipal well within one mile: yes X no

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

Depth to bottom of fresh water 130 feet
Depth to bottom of usable water 230 feet
Surface pipe by Alternate: 1 X 2
Surface pipe planned to be set 275 feet
Conductor pipe required N/A
Projected Total Depth 5000 feet feet
Formation Simpson

I certify that well will comply with K.S.A. 55-101, et seq., plus eventually plugging hole to KCC specifications.
Date 12-7-88 Signature of Operator or Agent Alan L. DeGood Title Vice-President

For KCC Use:
Conductor Pipe Required feet; Minimum Surface Pipe Required 250' feet per Alt. 1
This Authorization Expires 6-14-89 Approved By LKM 12-14-88

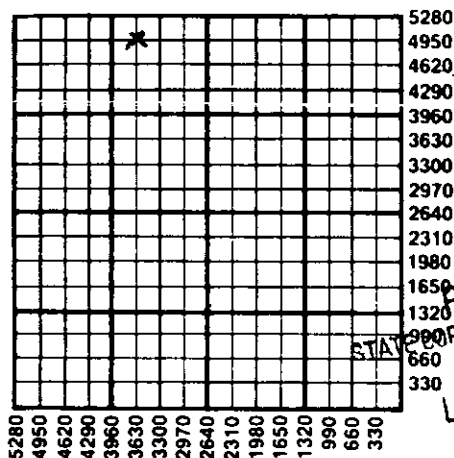
EFFECTIVE DATE: 12-19-88

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.
9. If an alternate 2 completion, cement in the production pipe from how any usable water to surface within 120 days of spud date.

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



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