

CARD MUST BE TYPED

State of Kansas

CARD MUST BE SIGNED

NOTICE OF INTENTION TO DRILL

(see rules on reverse side)

Starting Date Sept. 10, 1986
month day year 8'89

API Number 15- 151-21,804-0000

OPERATOR: License # 04864
Name Averada Corporation
Address 105 N. Market Suite 700
City/State/Zip Wichita, Kansas
Contact Person Kent A. Deutsch
Phone (316) 265-1401

SW-NW-NE Sec. 35 Twp. 26 S, Rg. 12 East
 4290 West
 2310 Ft. from South Line of Section
 Ft. from East Line of Section

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

CONTRACTOR: License # 5929
Name Duke Drilling
City/State Wichita, Kansas

Nearest lease or unit boundary line 330 feet
County Pratt
Lease Name Mardis Well # 2-35

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

Ground surface elevation feet MSL
Domestic well within 330 feet: yes X no
Municipal well within one mile: yes X no
Depth to bottom of fresh water 150 Ft.
Depth to bottom of usable water 100 Ft. 250

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

Surface pipe by Alternate: 1 X 2
Surface pipe planned to be set 350 Ft.
Conductor pipe required none
Projected Total Depth 4500 Ft. feet
Formation Arbuckle

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

Date 8-8-86 Signature of Operator or Agent Kent A. Deutsch Title District Manager

For KCC Use:

Conductor Pipe Required feet; Minimum Surface Pipe Required 250 feet per Alt. 9-9-86
This Authorization Expires 3-9-87 Approved By

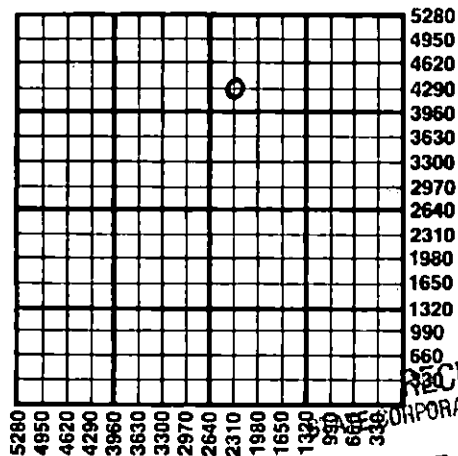
RCH/KCC

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.
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 below any usable water to surface within 120 days of spud date.

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



RECEIVED
SEP 8 - 1980
9-8-86
CONSERVATION DIVISION
Wichita, Kansas

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