

NOTICE OF INTENTION TO DRILL

(see rules on reverse side)

VDA

Starting Date May 1988 month day year

API Number 15-055-20,797-0000

OPERATOR: License # 4779

Appr. SW SW NE Sec. 5 Twp. 22 S, Rg. 31 East West

Name North American Resources Company

Address 16 East Granite

City/State/Zip Butte, MT 59701

Contact Person Leo A. Heath

Phone (406) 723-5421

CONTRACTOR: License # 5382

Name Cheyenne Drilling, Inc.

City/State Garden City, KS

Well Drilled For: Well Class: Type Equipment:

- X Oil SWD Infield Mud Rotary
Gas Inj Pool Ext Air Rotary
OWWO Expl Wildcat 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 5/16/88 Signature of Operator or Agent Leo A. Heath Title Mgr., Eng. and Oper.

For KCC Use:

Conductor Pipe Required feet; Minimum Surface Pipe Required 220 feet per Alt. 2

This Authorization Expires 11-24-88 Approved By PCH 5-24-88

EFFECTIVE DATE: 5-29-88

2700 Ft. from South Line of Section
2000 Ft. from East Line of Section

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

Nearest lease or unit boundary line 2000 feet

County Finney

Lease Name Kuder Well # 5-1

Ground surface elevation 2897 feet MSL

Domestic well within 330 feet: yes X no

Municipal well within one mile: yes X no

Depth to bottom of fresh water 200'

Depth to bottom of usable water 1300'

Surface pipe by Alternate: 1 2 X

Surface pipe planned to be set 450'

Conductor pipe required No

Projected Total Depth 5000 feet

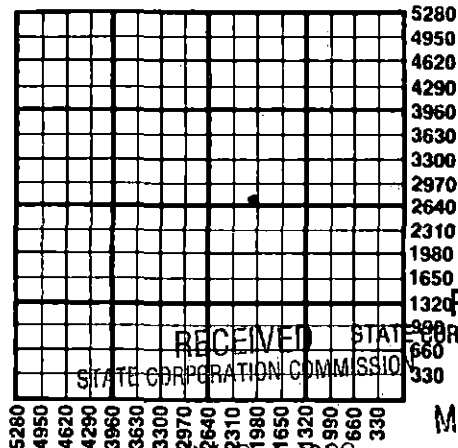
Formation Mississippian

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.

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



5-24-88
CONSERVATION DIVISION
Wichita, Kansas

RECEIVED
STATE CORPORATION COMMISSION
MAY 19 1988
CONSERVATION DIVISION
Wichita, Kansas

RECEIVED
STATE CORPORATION COMMISSION
MAY 19 1988
State Corporation Commission of Kansas
Conservation Division
200 Colorado Derby Building
Wichita, Kansas 67202
(316) 263-3238

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