STATE OF KANSAS NOTICE OF INTENTION TO DRILL

API Number 13/5-009-21/3
(For office use only)

HOFFMAN #1

C-1MI-1331

PETROLEUM ENERGY, INC. 1. Operator _ Starting Date 7 / 3 / 710 One Twenty Building Address ___ Wichita, Kansas Zip Code 67202 City-State ____ County BARTON Contractor WHITE & ELLIS DRILLING, INC. East Sec. 13 Twp. 16S S. Rng. 12W West Box 448 Address __ City-State ElDorado, Kansas Zip Code 67042 Exact Spot Location C S/2 N/2 SE 3. Type of Equipment: Rotary: X Air: Cable Tools: 4. Well to be Drilled for: Oil: X. Gas: SWD: Input: Nearest Lease Line _____990 ft. Depth of Deepest Fresh Water within 1 mile _____ 7. Depth of Municipal Water Well within 3 miles ______ft. Lease Name HOFFMAN Depth to Protect all Fresh Water (Table 1) ______600 Amount of Surface Casing to be set ______ ft. Well No. ___ #1 10. Alternate No. 1 Alternate No. 2 X Est. Total Depth 3350

REMARKS: Signature of Operator by: I

TO BE FILED WITH THE STATE CORPORATION COMMISSION

5 DAYS PRIOR TO COMMENCEMENT OF WELL

OPERATOR STATES THAT HE WILL COMPLY WITH K.S.A. 55-PETROLEUM ENERGY, INC.

First Postage

State Corporation Commission of Kansas Conservation Division 245 North Water Wichita, Kansas 67202

MUN 3 0 1980

(IF PREFERRED, MAIL IN ENVELOPE)