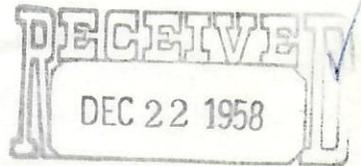


OIL AND GAS COMMISSION OF THE STATE OF COLORADO



OIL & GAS CONSERVATION COMMISSION

NOTICE OF INTENTION TO DRILL

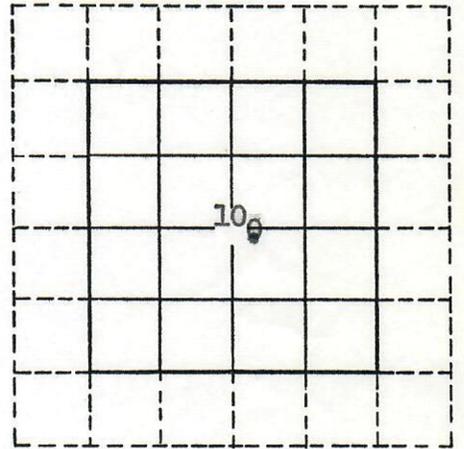
INSTRUCTIONS:

A notice of intention to drill a well shall be filed in duplicate on all Federal and Patented lands, and in triplicate on all State lands. Do not begin operations until approved copy has been received. It is mandatory that the proposed location comply with all rules and regulations of the Commission. Locate well on section grid in proper location, and indicate extent of lease. Unless operations are commenced within 180 days after the date of approval hereof, this approval to drill will become null and void.

Name of Operator R. & R Well Service Co. Phone No. 178 - Rangely, Colo. Address Box #637 City Rangely State Colo.

How is liability secured: Well Bond (Attached) []; Blanket Bond [X]; Waiver [] (Check one)

Lease Name Lu-Bauer - Govt. Well No. 3 Field Name Rangely Wildeat [] County Rio Blanco



Location NW 1/4 - NW 1/4 - SE 1/4 Section 10 Township 1-N Range 102-W Meridian 6 P. 2615 feet from S Section line and 2340 feet from E Section Line

The well is located on: Patented land [] State land [] Federal land [X]

The well is located within a spaced area: Yes [] No [X]

Distance from proposed location to nearest property or lease line 25 feet. Distance from proposed location to nearest drilling unit line 400 feet.

Objectives: Shale Oil Formation Depth 3000 Estimate; Mancos Formation Depth 3000 Estimate

Proposed length of surface casing 30 feet.

REMARKS:

Delayed "Notice" due to not being aware of "State Forms" before starting location. #1 well drilled in 1957, 85' from E line & 1220' from N line of Sec. 9, T-1N, R-102W, 6-PM, Rio Blanco County, T.D. 3000', was a dry hole. #2 well drilled in later half of 1957, 2540' from N line & 2725' from E line of Sec. 10, T-1N, R-102W, 6-PM, Rio Blanco County, T.D. 2540'. Topped pay at 2480'. Well will produce from 12 to 15 bbls. per day but lease has been in litigation since Dec. of 1957, (Silas Newt on.) Shut down the past year. (All wells on Govt. Leases.)

I/We hereby swear (or affirm) that the statements herein made are a full and correct report.

APPROVED: Company R & R Well Service Co. Date 12-18-58.

Date VIOLATION Address Rangely, Colo. Phone No. 178

By P. Redding Signature Title Co-owner.

REMARKS- Drilled without OGCC approval DWR

Drilled without OGCC approval DWR