

CARD MUST BE TYPED

State of Kansas
NOTICE OF INTENTION TO DRILL
(see rules on reverse side)

CARD MUST BE SIGNED

Starting Date: 11 8 85
month day year 4:00

API Number 15- 163-22,811 0000

OPERATOR: License # 8000
Name PanCanadian Petroleum Company
Address 600 17th St., Suite 1800
City/State/Zip Denver, CO 80202
Contact Person Tom Rubis
Phone 303-825-8371

SW SE NE Sec 3 Twp 7 S, Rge 20 East
(location) West
2970 Ft North from Southeast Corner of Section
990 Ft West from Southeast Corner of Section
(Note: Locate well on Section Plat on reverse side)

CONTRACTOR: License # 6033
Name Murfin Drilling Company
City/State Wichita, KS

Nearest lease or unit boundary line 990 feet.
County Rooks
Lease Name #3 Gary L. States Well# 42-3

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

Domestic well within 330 feet: yes no
Municipal well within one mile: yes no

If OWWO: old well info as follows:

Operator
Well Name
Comp Date Old Total Depth
Projected Total Depth 3750 feet
Projected Formation at TD Arbuckle
Expected Producing Formations Arb. & KC

Depth to Bottom of fresh water 75 feet
Lowest usable water formation Dakota
Depth to Bottom of usable water 1000 feet
Surface pipe by Alternate: 1 2
Surface pipe to be set 280 feet
Conductor pipe if any required N/A feet
Ground surface elevation 2169 feet MSI
This Authorization Expires 5-7-86
Approved By 11-7-85

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

Date Nov. 7, 1985 Signature of Operator or Agent

Robert A. Ramseyer, Jr.
Robert A. Ramseyer, Jr., Agent for Opr.

Title Ass't. Drlg. Mgr.

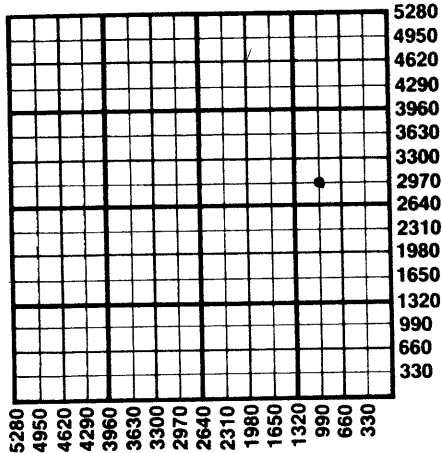
Must be filed with the K.C.C. five (5) days prior to commencing well
 This card void if drilling not started within six (6) months of date received by K.C.C.

RECEIVED
 STATE CORPORATION COMMISSION
 11/2/85
 NOV 7 1985

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

CONSERVATION DIVISION
 Wichita, Kansas

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 plugging, prepare a plugging plan, then obtain agreement from the appropriate district office for an approved plugging plan.
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.

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