

CARD MUST BE TYPED

State of Kansas

CARD MUST BE SIGNED

NOTICE OF INTENTION TO DRILL

*corrected*

CORRECTION

Changes location from SE SE SE to NE SE SE. (see rules on reverse side)

Production string will be immediately cemented from below usable water to surface.

Starting Date January 8 1986  
month day year

API Number 15- 199-20,072-00-00 *1-686*

OPERATOR: License # 5238  
Name Petroleum, Inc.  
Address 300 W. Douglas, Suite 800  
City/State/Zip Wichita, KS 67202  
Contact Person Steve Phillips  
Phone 316 624-1686

\* NE SE SE Sec. 32 Twp. 15 S, Rg. 42    East  
\*    West  
990 Ft. from South Line of Section  
330 Ft. from East Line of Section

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

CONTRACTOR: License # 5382  
Name Cheyenne Drilling, Inc.  
City/State P.O. Box 916, Garden City, KS 67846

Nearest lease or unit boundary line 330 feet  
County Wallace  
Lease Name Palen Well # 1

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

Ground surface elevation feet MSL  
Domestic well within 330 feet:    yes    X no  
Municipal well within one mile:    yes    X no  
Surface pipe by Alternate: 1    X 2     
Depth to bottom of fresh water 270  
Depth to bottom of usable water 1700  
Surface pipe planned to be set 1700  
Projected Total Depth 5250 feet  
Formation Morrow

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. *SESESE 330 FSL*

                     cementing will be done immediately upon setting production casing. *was.*  
Date 1-7-86 Signature of Operator or Agent *[Signature]* Title Div. Records Manager.

For KCC Use:  
Conductor Pipe Required feet; Minimum Surface Pipe Required feet per Alt. 1 2  
This Authorization Expires *5-7-86* Approved By *11-7-85*

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:

RECEIVED

STATE CORPORATION COMMISSION

Notify District office before setting surface casing.

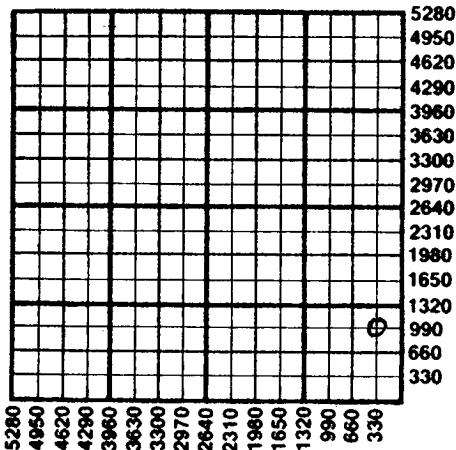
JAN 6 1986

01-06-86

CONSERVATION DIVISION

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

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.



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