

NOTICE OF INTENTION TO DRILL

(see rules on reverse side)

Starting Date June 30 1986 month day year

API Number 15- 199-20,088-00-06

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

Approx. W/2 E/2 SE/4 Sec. 32 Twp. 15 S, Rg. 42 East West 1220 990 Ft. from South Line of Section 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 990 feet County Wallace Lease Name Palen Well # 3

Well Drilled For: Well Class: Type Equipment: X Oil SWD Infield X Mud Rotary Gas Inj Pool Ext Air Rotary OWWO Expl 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 1740 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.

cementing will be done immediately upon setting production casing Date 6-27-86 Signature of Operator or Agent Jerry A. Wilson Title Records Manager

For KCC Use:

Conductor Pipe Required feet; Minimum Surface Pipe Required 1740 feet per Alt. This Authorization Expires 12-27-86 Approved By 6-27-86

Handwritten signature/initials

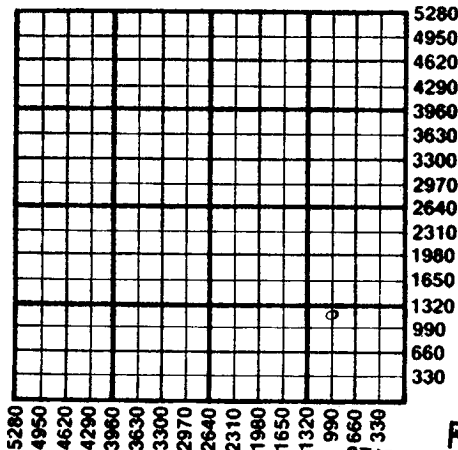
Handwritten initials/signature

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

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



RECEIVED
STATE CORPORATION COMMISSION

JUN 27 1986

CONSERVATION DIVISION
Wichita, Kansas

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