

NOTICE OF INTENTION TO DRILL

(see rules on reverse side)

Starting Date 12 20 1985
 month day year 9:45

API Number 15— 071-20,417-0000

OPERATOR: License # 6378
 Name Hawkins Oil & Gas, Inc.
 Address P.O. Box 1282
 City/State/Zip Liberal Kansas 67901
 Contact Person Tommya J. Diseker
 Phone 316-624-8327

— East
 C N/2 NE SW Sec. 21 Twp. 17 S, Rg. 41 ... X West
 2310 Ft. from South Line of Section
 3300 Ft. from East Line of Section

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

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

Nearest lease or unit boundary line 1980 feet
 County Greeley
 Lease Name Penney Well # 1-21

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

Ground surface elevation 3736 feet MSL
 Domestic well within 330 feet: yes no
 Municipal well within one mile: yes no
 Surface pipe by Alternate: ~~24~~
 Depth to bottom of fresh water 300
 Depth to bottom of usable water 1400
 Surface pipe planned to be set 600
 Projected Total Depth 5500 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.

per 1/10/85

_____ cementing will be done immediately upon setting production casing.

Date .. 12/17/85 .. Signature of Operator or Agent *Sherris C. Mohr* .. Title ... as .. agent

For KCC Use:

Conductor Pipe Required feet; Minimum Surface Pipe Required feet per Alt. 1
 This Authorization Expires 6-17-86 Approved By 12-17-85 *RC*

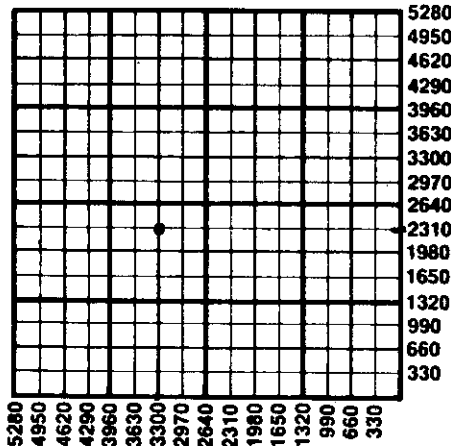
Must be filed with the K.C.C. five (5) days prior to commencing well
This card void if drilling not started within six (6) months of date received by K.C.C.

Important procedures to follow:

RECEIVED
STATE CORPORATION COMMISSION

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

DEC 17 1985
12-17-85
CONSERVATION DIVISION
Wichita, Kansas



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.

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