

C.D. WILLIAMS 'D' LEASE
CARD MUST BE TYPED

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

CARD MUST BE SIGNED

077-21,092-00-00

Starting Date: June 30, 1985
month day year

API Number 15-

OPERATOR: License # 5230
Name PETROLEUM ENERGY, INC.
Address 224 E. Douglas - Suite 350
City/State/Zip Wichita, Kansas 67202
Contact Person Erin Marshall
Phone (316) 265-2661

NE NE SW Sec 16 Twp 35 S, Rge 5W
(location) East West

2310 Ft North from Southeast Corner of Section
2970 Ft West from Southeast Corner of Section
(Note: Locate well on Section Plat on reverse side)

CONTRACTOR: License # 5381
Name Big Springs Drilling
City/State Wichita, Kansas

Nearest lease or unit boundary line 330 feet.
County Harper

Lease Name C.D. WILLIAMS, JR. 'D' Well# 1

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 5,255 feet
Projected Formation at TD Viola - Simpson Sand
Expected Producing Formations Simpson Sand

Depth to Bottom of fresh water 50 feet
Lowest usable water formation Nimescah
Depth to Bottom of usable water 200' feet
Surface pipe by Alternate: 1 2
Surface pipe to be set 590' feet
Conductor pipe if any required feet
Ground surface elevation feet MSI.
This Authorization Expires 12-19-85
Approved By 6-19-85 [Signature]

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

Date 6-19-85 Signature of Operator or Agent Erin Marshall Title

MHC/LIDHE 6-19-85
Secretary

RECEIVED

STATE CORPORATION COMMISSION

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

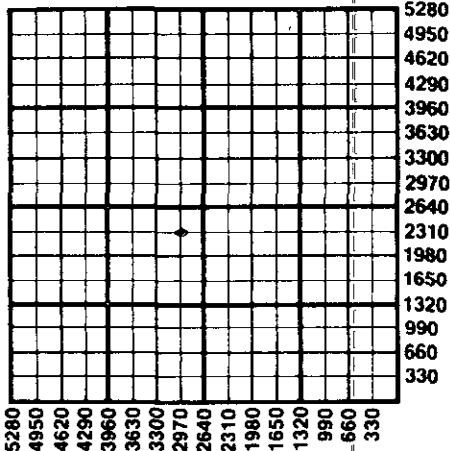
JUN 19 1985

CONSERVATION DIVISION

Wichita, Kansas

A Regular Section of Land

1 Mile = 5,280 Ft.



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