EFFECTIVE DATE: 2-6-91

FORM MUST BE TYPED
FORM C-1 4/90

State of Kansas
NOTICE OF INTENTION TO DRILL
Must be approved by the K.C.C. five (5) days prior to commencing well

Expected Spud Date: February 6, 1991

OPERATOR: License #: 30201
Name: HILLIN-SIMON OIL COMPANY
Address: P. O. Box 1592
City/State/Zip: MIDLAND, TX 79702
Contact Person: STAN VENABLE
Phone: 915/682-2202

CONTRACTOR: License #: 30480
Name: CRANDALL DRILLING, INC.

Well Drilled For: Oil ...

Well Class: Infield X

Type Equipment: Mud Rotary

X Offshore ...

X OAWO ...

X Disposal ...

X Wildcat ...

X Cable

... # of Holes

If OAWO: old well information as follows:
Operator: Cabot Energy Company
Well Name: 1-27
Comp. Date: 12-89
Old Total Depth: 5330

Directional, Deviated or Horizontal wellbore? yes
If yes, total depth location:

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, et. seq.

It is agreed that the following minimum requirements will be met:
1. The appropriate district office shall be notified before setting surface pipe;
2. The minimum amount of surface pipe as specified above shall be set by circulating cement to the top; in all cases surface pipe shall be set through all unconsolidated materials plus a minimum of 20 feet into the underlying formation;
3. If the well is dry, a plugging proposal shall be submitted to the district office. An agreement between the operator and the district office on plug length and placement is necessary prior to plugging;
4. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
5. If an Alternate II completion, production pipe shall be cemented from below any usable water to surface within 120 days of spud date. In all cases, notify district office prior to any cementing.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: 02-31-91 Signature of Operator or Agent: STAN VENABLE
Title: STAFF OPERATIONS ENGINEER

For KCC Use: 15-023-20371-80-01

API # 15- 023-3031-A
Conductor pipe required: No\nMinimum surface pipe required: 25' feet per Alt. 0
Approved by: MWC 3-1-91
Effective Date: 3-1-91
This authorization expires: 8-1-91
Spud Date: 2-6-91

Remember to:
- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACD-1 within 120 days of spud date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed;
- Obtain written approval before disposing or injecting salt water.
PLAT OF ACREAGE ATTRIBUTABLE TO A WELL

State Corporation Commission, Conservation Division
200 Colorado Derby Bldg. Wichita, Kansas 67202

OPERATOR  HILLIN-SIMON OIL COMPANY  LOCATION OF WELL:
LEASE  Raile  3300  feet north of SE corner
WELL NUMBER  1-27  3300  feet west of SE corner
FIELD  WILDCAT  CSENW Sec. 27  T 3S  R 42  §/W
COUNTY  CHEYENNE

NO. OF ACRES ATTRIBUTABLE TO WELL: 40

IS SECTION X REGULAR  IRREGULAR?
IF IRREGULAR, LOCATE WELL FROM NEAREST CORNER BOUNDARY.

NOTE: If plat depicted is insufficient for your circumstances, you may attach your own scaled or surveyed plat.

There are no offset drilling units to the proposed re-entry.

The proposed re-entry is 660' from the nearest lease line.

In plotting the proposed location of the well, you must show:

1) The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding partial sections, 4 sections, 16 sections, etc.;

2) the well's location relative to the location of other wells producing from the same common source of supply in adjoining drilling units, pursuant to K.A.R. 82-3-108, 82-3-207, 82-3-312, or special orders of the Commission;

3) the distance of the proposed drilling location from the section's east and south lines; and

4) the distance to the nearest lease or unit boundary line.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Signature of Operator or Agent  STAN VENABLE
Date  01-31-91  Title  STAFF OPERATIONS ENGINEER