NOTICE OF INTENTION TO DRILL

Starting Date: 11-13-85

OPERATOR: License # 8000
Name: PanCanadian Petroleum Company
Address: 600 17th St., Suite 1800
City/State/Zip: Denver, CO 80202
Contact Person: Tom Rubis
Phone: 303-825-8371

API Number 15- 163-22,817 0000

NE SW NE Sec 3 7 20 □ East
( Location)
3630 Ft North from Southeast Corner of Section
1650 Ft West from Southeast Corner of Section
(Note: Locate well on Section Plat on reverse side)

Nearest lease or unit boundary line 1650 feet.
County: Rooks
Lease Name: #2 Gary L. States. Well #32-3
Domestic well within 330 feet: □ yes □ no
Municipal well within one mile: □ yes □ no

Well Drilled For: Oil □ Swd □ Infield □ Mud Rotary
Gas □ Inj □ Pool Ext. □ Air Rotary
OWWO □ Expl □ Wildcat □ Cable

If OWWO: old well info as follows:
Operator
Well Name
Comp Date
Old Total Depth
Projected Total Depth
Projected Formation at TD
Expected Producing Formations
Depth to Bottom of fresh water 75 feet
Lowest usable water formation Dakota 1000 feet
Depth to Bottom of usable water
Surface pipe by Alternate: □ 2 □ X
Surface pipe to be set 280 feet
Conductor pipe if any required N/A feet
Ground surface elevation feet MSL
This Authorization Expires 11-13-86
Approved By

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

Date 11-13-85
Signature of Operator or Agent Robert A. Ramseyer, Jr.
Title Ass't. Drlg. Mgr.
Agent for Operator

Form C-1 1/84
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