

Must be approved by the K.C.C. five (5) days prior to commencing well

Expected Spud Date July 26, 1989
month day year

NE. NE. NE. Sec 14 Twp 3 S, Rg 27 East West

OPERATOR: License # 5255
Name: McGinness Oil Company
Address: 1026 Union Center Building
City/State/Zip: Wichita, Kansas 67202
Contact Person: Doug McGinness
Phone: (316) 267-6065

4950 feet from South line of Section
330 feet from East line of Section
(Note: Locate well on Section Plat Below)

CONTRACTOR: License # 4083
Name: Western Kansas Drilling, Inc.

County: Decatur
Lease Name: Bailey Well #: 1-14
Field Name: Wildcat

Well Drilled For: Well Class: Type Equipment:
 Oil ... Inj ... Infield Mud Rotary
... Gas ... Storage ... Pool Ext. ... Air Rotary
 OWWO ... Disposal Wildcat ... Cable
... Seismic; ... # of Holes

Is this a Prorated Field? ... yes no
Target Formation(s): Lansing
Nearest lease or unit boundary: 330'
Ground Surface Elevation: 2659 feet MSL
Domestic well within 330 feet: ... yes no
Municipal well within one mile: ... yes no
Depth to bottom of fresh water: 200'
Depth to bottom of usable water: 1700'
Surface Pipe by Alternate: ... 1 2
Length of Surface Pipe ~~2000000000~~ set: 157'
Length of Conductor pipe required: None
Projected Total Depth: 4177'
Formation at Total Depth: QUARTZ
Water Source for Drilling Operations:
... well ... farm pond other
DWR Permit #: _____
Will Cores Be Taken?: ... yes no
If yes, proposed zone: _____

If OWWO: old well information as follows:
Operator: Helmerich & Payne
Well Name: #1 Bailey
Comp. Date: 04-26-46 Old Total Depth 4177'

Directional, Deviated or Horizontal wellbore? ... yes no
If yes, total depth location: _____

AFFIDAVIT

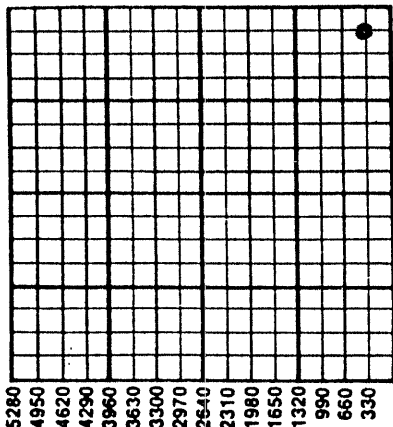
The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, et. seq.

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: 07-17-89 Signature of Operator or Agent: Doug McGinness Title: President



RECEIVED
STATE CORPORATION COMMISSION
JUL 18 1989
7-18-89
CONSERVATION DIVISION
Wichita, Kansas

FOR KCC USE:
API # 15- 039-01,000-00-01
Conductor pipe required NONE feet
Minimum surface pipe required 157 feet per Alt.
Approved by: DPW 7-19-89
EFFECTIVE DATE: 7-24-89
This authorization expires: 1-19-90
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: _____ Agent: _____

14
3
27

REMEMBER TO:

- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-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.