

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

Expected Spud Date 3 15 1989
month day year

CSE NW Sec 4 Twp 5 S, Rg 42 — East
West

OPERATOR: License # 3578
Name: MEDALLION PETROLEUM INC.
Address: 2000 Mid-Continent Tower
City/State/Zip: 401 S. Boston Tulsa, Ok. 74103
Contact Person: Lee Francis
Phone: (918) 582-4445

3300 feet from South line of Section
3300 feet from East line of Section
(Note: Locate well on Section Plat Below)

CONTRACTOR: License #: _____
Name: UNKNOWN

County: CHEYENNE
Lease Name: WALZ Well #: 4-1
Field Name: WC
Is this a Prorated Field? yes no
Target Formation(s): Morrow
Nearest lease or unit boundary: 660
Ground Surface Elevation: 3514 feet MSL
Domestic well within 330 feet: yes no
Municipal well within one mile: yes no
Depth to bottom of fresh water: 180
Depth to bottom of usable water: 180
Surface Pipe by Alternate: 1 2
Length of Surface Pipe Planned to be set: 200
Length of Conductor pipe required: 0
Projected Total Depth: 5200
Formation at Total Depth: Morrow
Water Source for Drilling Operations:
well farm pond other
DWR Permit #: _____
Will Cores Be Taken?: yes no
If yes, proposed zone: _____

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

If O/W/O: old well information as follows:
Operator: _____
Well Name: _____
Comp. Date: _____ Old Total Depth _____

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

AFFIDAVIT

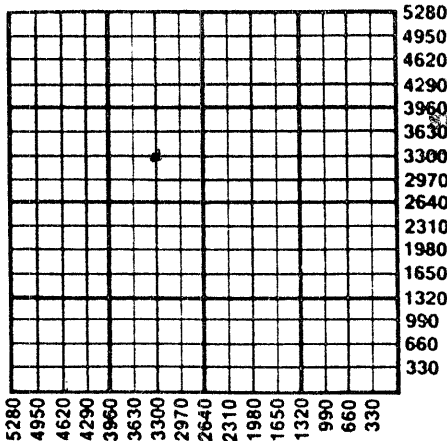
The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, et. seq.

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: 3-10-89 Signature of Operator or Agent: [Signature] Title: _____ Agent



RECEIVED
STATE CORPORATION COMMISSION
MAR 10 1989
3-10-89
CONSERVATION DIVISION
Wichita, Kansas

FOR KCC USE:
API # 15- 023-20,272-00-00 ✓
Conductor pipe required _____ feet
Minimum surface pipe required 200' feet per Alt 1 ✓
Approved by: LKM 3-10-89
EFFECTIVE DATE: 3-15-89
This authorization expires: 9-10-89
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: _____ Agent: _____

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.