

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

Expected Spud Date ... 8 28 89
month day year

SE. NW. NE Sec .32. Twp ...7. S, Rg ...17. East
 West

OPERATOR: License # ... 30197
Name: ... D. C. Dudley & Associates
Address: ... 1776 Lincoln Street, Suite 904
City/State/Zip: ... Denver, CO ... 80203
Contact Person: ... Tim Schwalter
Phone: ... (303) 861-0800

... 4290 feet from South line of Section
... 1650 feet from East line of Section
(Note: Locate well on Section Plat Below)

CONTRACTOR: License #: ... 5146
Name: ... Rains & Williamson Oil Co., Inc.

County: ... Rooks
Lease Name: ... CARSTEN Well #: ... 1-32
Field Name: ... Dancer

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

Is this a Frorated Field? yes no
Target Formation(s): ... Lansing-Arbuckle
Nearest lease or unit boundary: ... 990
Ground Surface Elevation: ... 1928 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: ... 900

If OWD: old well information as follows:
Operator:
Well Name:
Comp. Date: Old Total Depth

Length of Surface Pipe Planned to be set: ... 1300
* Conductor required if elevation below 1860'
Length of Conductor pipe required: ... N/A
Projected Total Depth: ... 3550
Formation at Total Depth: ... Arbuckle

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

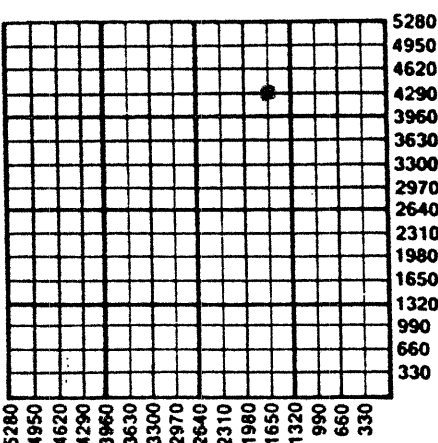
Water Source for Drilling Operations:
... well farm pond other
DWR Permit #:
Will Cores Be Taken?: ... yes no
If yes, proposed zone: ... Arbuckle

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.
Contractor
Date: ... 8-21-89 Signature of Operator or Agent: ... JERALD W. RAINS Title: Vice-President



CONSERVATION DIVISION
Wichita, Kansas
AUG 21 1989
8-21-89

FOR KCC USE:
API # 15-163-23,056-00-00
Conductor pipe required NONE feet
Minimum surface pipe required 900' feet per Alt.
Approved by: DPW 8-21-89
EFFECTIVE DATE: 8-26-89
This authorization expires: 2-21-90
(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.