

FA7

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

Expected Spud Date MAY 4
April 16, 1990
month day year

CW/2 SE SW Sec 27 Twp 7 S, Rg 23 East
West

660' feet from South line of Section
3630 feet from East line of Section

(Note: Locate well on Section Plat Below)

OPERATOR: License # 03581
Name: Red Oak Energy, Inc.
Address: 111 W. Douglas Ste 507
City/State/Zip: Wichita, KS 67202
Contact Person: Kevin C. Davis
Phone: 265-9925

County: Graham
Lease Name: Morris Well #: 1-27
Field Name: Wildcat

Is this a Prorated Field? yes no

Target Formation(s): Lansing-KC

Nearest lease or unit boundary: 660

Ground Surface Elevation: 2363 feet MSL

Domestic well within 330 feet: yes no

Municipal well within one mile: yes no

Depth to bottom of fresh water: 105

Depth to bottom of usable water: 1350

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 200'

Length of Conductor pipe required: none

Projected Total Depth: 3870'

Formation at Total Depth: Marmaton

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
... OWWO ... Disposal Wildcat ... Cable
... Seismic; ... # of Holes

If OWWO: 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

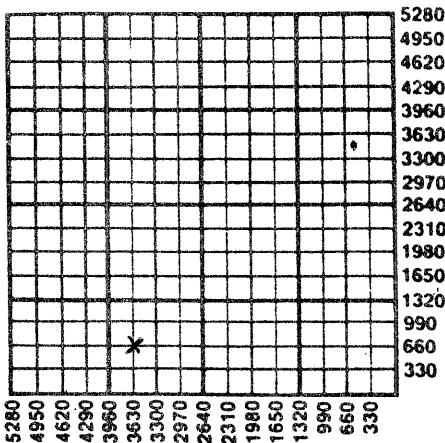
The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, et. seq.

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: 4/30/90 Signature of Operator or Agent: Kevin C. Davis Title: President



FOR KCC USE:

API # 15- 065-22,570000

Conductor pipe required NONE feet

Minimum surface pipe required 200' feet per Alt. (2)

Approved by: BGF 5/1/90

EFFECTIVE DATE: 5/6/90

This authorization expires: 11/1/90

(This authorization void if drilling not started within 6 months of effective date.)

Spud date: _____ Agent: _____

27
7
23W

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.