

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

Expected Spud Date June 22 1989
month day year

NW NW NE Sec 9 Twp 10 S, Rg 39 X East West

OPERATOR: License # 30042
Name: Alvin R. Arlian
Address: 1801 Broadway, Suite 1650
City/State/Zip: Denver, CO 80202
Contact Person: Al Arlian
Phone: (303)-292-4051

4,950' feet from South line of Section
2,310' feet from East line of Section
(Note: Locate well on Section Plat Below)

County: Sherman
Lease Name: Morgan Well #: 1
Field Name: Wildcat

CONTRACTOR: License #: Pending
Name: In process of selection, will submit on ACO-1

Is this a Prorated Field? yes X no
Target Formation(s): Morrow
Nearest lease or unit boundary: 330'
Ground Surface Elevation: 3,625 est.* feet MSL
Domestic well within 330 feet: yes X no
Municipal well within one mile: yes X no
Depth to bottom of fresh water: 250'
Depth to bottom of usable water: 2300'
Surface Pipe by Alternate: 1 X 2
Length of Surface Pipe Planned to be set: 270'
Length of Conductor pipe required:
Projected Total Depth: 5,210
Formation at Total Depth: Mississippian
Water Source for Drilling Operations:
well X farm pond other
DWR Permit #: Unknown
Will Cores Be Taken?: N/A yes X no

Well Drilled For: Well Class: Type Equipment:

X Oil ... Inj. ... Infield X Mud Rotary
... Gas ... Storage ... Pool Ext. ... Air Rotary
... OAWO ... Disposal X Wildcat ... Cable
... Seismic; ... # of Holes

If OAWO: old well information as follows:

Operator: N/A
Well Name:
Comp. Date: Old Total Depth

Directional, Deviated or Horizontal wellbore? yes X no

If yes, total depth location:

If yes, proposed zone: N/A
*Survey plat to follow.

AFFIDAVIT

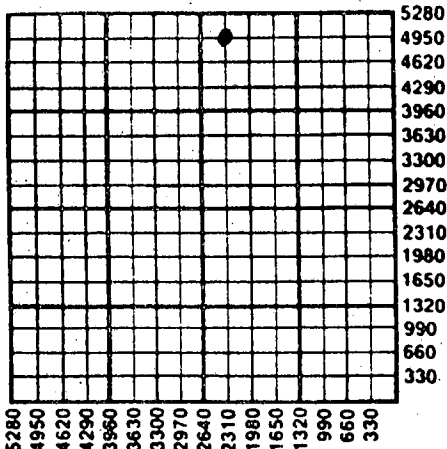
The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, et. seq.

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: 6-2-89 Signature of Operator or Agent: Alvin R. (Al) Arlian Title: Self



RECEIVED
STATE CORPORATION COMMISSION
JUN 5 1989
06-05-1989
CONSERVATION DIVISION
Wichita, Kansas

FOR KCC USE:
API # 15-181-20,279-00-00
Conductor pipe required NONE feet
Minimum surface pipe required 270 feet per Alt. X(2)
Approved by: DPW 6-07-89
EFFECTIVE DATE: 6-12-89
This authorization expires: 12-07-89
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: Agent:

9
10
39w

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.