

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

Expected Spud Date May 27 1991
 month day year

N/2 NW/4 Sec 23 Twp 18 S, Rg 43 East West

OPERATOR: License # 30605
 Name: HGB Oil Company & Edwin C. Schuett
 Address: 1707 South Jasmine
 City/State/Zip: Denver, CO 80224
 Contact Person: H. Gordon Beamguard
 Phone: 303-782-9443

4620 feet from South line of Section
3970 feet from East line of Section
 (Note: Locate well on Section Plat on Reverse Side)

CONTRACTOR: License # 8241
 Name: Emphasis Oil Operations

County: Grealey
 Lease Name: Bounds Well #: 1
 Field Name: Moore Johnson
 Is this a Prorated Field? yes no
 Target Formation(s): Morrow
 Nearest lease or unit boundary: 330
 Ground Surface Elevation: 3890 feet MSL
 Domestic well within 330 feet: yes no
 Municipal well within one mile: yes no
 Depth to bottom of fresh water: 100'
 Depth to bottom of usable water: 1700'
 Surface Pipe by Alternate: 1 2
 Length of Surface Pipe Planned to be set: 350
 Length of Conductor pipe required: *****
 Projected Total Depth: 5200'
 Formation at Total Depth: Lower 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
 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: May 21, 1991 Signature of Operator or Agent: H. Gordon Beamguard Title: Owner

FOR KCC USE:

API # 15- 071-20542-0000
 Conductor pipe required None feet
 Minimum surface pipe required 200 feet per Alt. # 2
 Approved by: MWB 6-10-91
 EFFECTIVE DATE: 6-15-91
 This authorization expires: 12-10-91
 (This authorization void if drilling not started within 6 months of effective date.)
 Spud date: _____ Agent: _____

RECEIVED
 STATE CORPORATION COMMISSION
 MAY 24 1991
 5-24-91
 CONSERVATION DIVISION
 Wichita, Kansas

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.

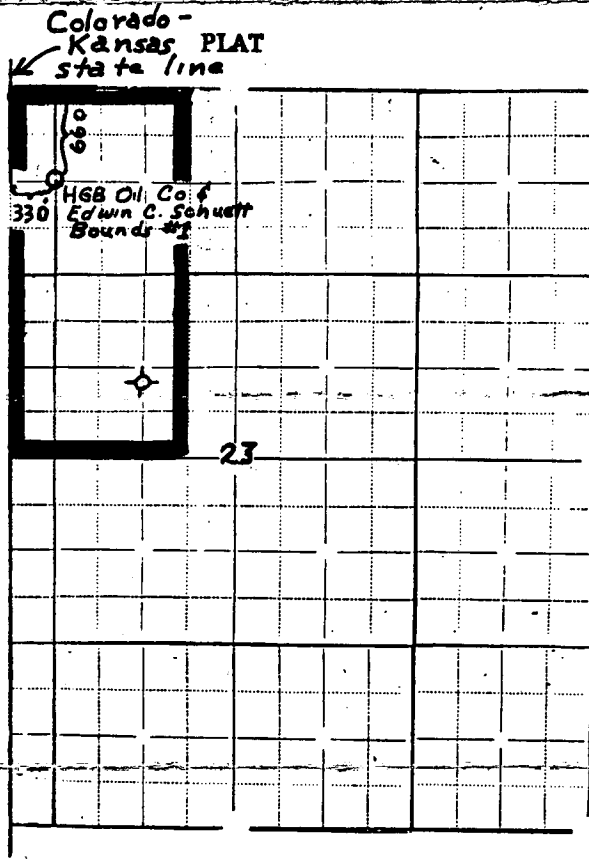
23 18 43W

PLAT OF ACREAGE ATTRIBUTABLE TO A WELL

State Corporation Commission, Conservation Division
200 Colorado Derby Bldg. Wichita, Kansas 67202

HGB Oil Company &		LOCATION OF WELL:	
OPERATOR	<u>Edwin C. Schuett</u>	4620	feet north of SE corner
LEASE	<u>Bounds</u>	3970	feet west of SE corner
WELL NUMBER	<u>#1</u>	Sec. <u>23</u>	T. <u>18S</u> R. <u>43</u> E/W
FIELD	<u>Moore Johnson</u>	COUNTY	<u>Greeley</u>
NO. OF ACRES ATTRIBUTABLE TO WELL	<u>80</u>	IS SECTION	<u>REGULAR</u> <u>xx</u> IRREGULAR?
DESCRIPTION OF ACREAGE	<u>The West 80 ac. of NW/4</u>	IF IRREGULAR, LOCATE WELL FROM NEAREST	CORNER BOUNDARY. 330' from west line & 660' from north line

NOTE: If plat depicted is insufficient for your circumstances, you may attach your own scaled or surveyed plat.



In plotting the proposed location of the well, you must show:

- 1) The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding partial sections, 4 sections, 16 sections, etc.;
- 2) the well's location relative to the location of other wells producing from the same common source of supply in adjoining drilling units, pursuant to K.A.R. 82-3-108, 82-3-207, 82-3-312, or special orders of the Commission;
- 3) the distance of the proposed drilling location from the section's east and south lines; and
- 4) the distance to the nearest lease or unit boundary line.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Signature of Operator or Agent H. Gordon Beauregard HGB Oil Company
Date 5-21-1991 Title Owner