

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

Expected Spud Date 01/30/89 SW NE NE Sec 15 Twp 14 S, Rg 39 XX East West
month day year

OPERATOR: License # 4661
Name: GALLOWAY PETROLEUM EXPLR. INC.
Address: 360 BROADWAY PLAZA BLDG.
City/State/Zip: WICHITA KA 67202
Contact Person: CASEY GALLOWAY
Phone: (316) 267-7355

4288 feet from South line of Section
1000 feet from East line of Section
(Note: Locate well on Section Plat Below)

CONTRACTOR: License #: 3779
Name: NORSEMAN DRILLING, INC.

County: WALLACE
Lease Name: SCHMALZRIED Well #: 1-15
Field Name: UNNAMED
Is this a Prorated Field? yes .. XXno
Target Formation(s): MORROW
Nearest lease or unit boundary: 792
Ground Surface Elevation: APPX. 3100 feet MSL
Domestic well within 330 feet: yes .. XXno
Municipal well within one mile: yes .. XXno
Depth to bottom of fresh water: 300-725
Depth to bottom of usable water: 1000-1700
Surface Pipe by Alternate: 1 .. XX2
Length of Surface Pipe Planned to be set: 350
Length of Conductor pipe required: *****
Projected Total Depth: 5300
Formation at Total Depth: MISSISSIPPI
Water Source for Drilling Operations:
..... well .. XXfarm pond other
DWR Permit #:
Will Cores Be Taken?: yes .. XXno
If yes, proposed zone:

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

If OWD: old well information as follows:

Operator:
Well Name:
Comp. Date: Old Total Depth

Directional, Deviated or Horizontal wellbore? yes .. XXno
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.

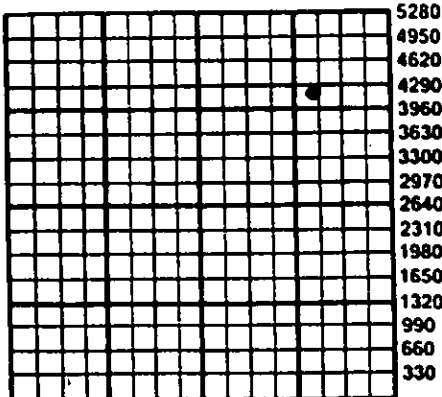
It is agreed that the following minimum requirements will be met:

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.

01/26/89

Date: Signature of Operator or Agent: CASEY GALLOWAY Title: PRESIDENT



RECEIVED
STATE CORPORATION COMMISSION
CONSERVATION DIVISION
Wichita, Kansas
JAN 26 1989
01-26-89

FOR KCC USE:

API # 15- 199-20,168-00-00
Conductor pipe required _____ feet
Minimum surface pipe required 250' feet per Alt. α(2)
Approved by: LRM 1-26-89
EFFECTIVE DATE: 1-31-89
This authorization expires: 7-26-89
(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.