

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

Expected Spud Date 8 12 89 C NW SE Sec 9 Twp 19 S, Rg 26 X East
month day year West

OPERATOR: License # 5161
Name: Palomino Petroleum
Address: Route 5, Box 51-C
City/State/Zip: Newton, KS 67114
Contact Person: Bob Watchous
Phone: (316) 283-0232

1980 feet from South line of Section
1980 feet from East line of Section
(Note: Locate well on Section Plat Below)

CONTRACTOR: License #: 4083
Name: Western Kansas Drilling Co., Inc.

County: Ness
Lease Name: Whipple "A" Well #: 1
Field Name: Wildcat
Is this a Prorated Field? yes X no
Target Formation(s): Miss.
Nearest lease or unit boundary: 660
Ground Surface Elevation: 2558 feet MSL
Domestic well within 330 feet: yes X no
Municipal well within one mile: yes X no
Depth to bottom of fresh water: 100 180'
Depth to bottom of usable water: 100 1200'
Surface Pipe by Alternate: 1 X 2
Length of Surface Pipe ~~set~~ set: 605
Length of Conductor pipe required:
Projected Total Depth: 4649
Formation at Total Depth: Miss.
Water Source for Drilling Operations:
..... well farm pond X other
DWR Permit #:
Will Cores Be Taken?: yes X no
If yes, proposed zone:

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

If OAWO: old well information as follows:
Operator: Donald C. Slawson
Well Name: Whipple "L" #1
Comp. Date: 5-20-74 ... Old Total Depth 4649

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

AFFIDAVIT

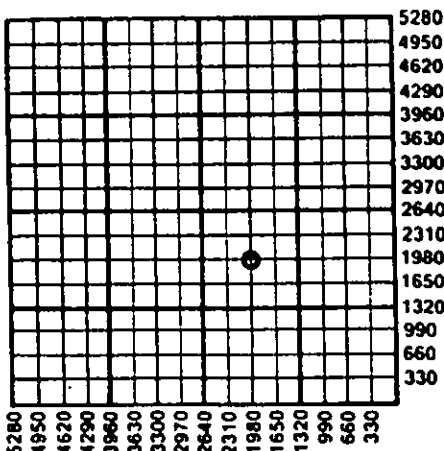
The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, et. seq.

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: 8-7-89 Signature of Operator or Agent: Bob Watchous Title: Owner



RECEIVED
STATE CORPORATION COMMISSION
AUG 8 1989
CONSERVATION DIVISION
Wichita, Kansas

FOR KCC USE:
APR # 15-135-20,876-2-00-01
Conductor pipe required NONE feet
Minimum surface pipe required 605 feet per Alt. X
Approved by: DPW 8-08-89
EFFECTIVE DATE: 8-13-89
This authorization expires: 2-08-90
(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.