

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

Expected Spud Date August 10 1989 Approx. SE NW NW Sec 18 Twp 18 S, Rg 31 East West
month day year

OPERATOR: License # 5363
Name: BEREXCO INC.
Address: 970 Fourth Financial Center
City/State/Zip: Wichita, KS 67202
Contact Person: Evan Mayhew
Phone: (316) 267-9768

4290 feet from South line of Section
4090 feet from East line of Section
(Irregular Section): Locate well on Section Plat Below

CONTRACTOR: License #: 5147
Name: BEREDCO INC.

County: Scott
Lease Name: Huseman Well #: 2
Field Name: Beckley

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

Is this a Prorated Field? ... yes X no
Target Formation(s): LKC
Nearest lease or unit boundary: 990'
Ground Surface Elevation: 2960 feet MSL

If OWMO: old well information as follows:
Operator: ...
Well Name: ...
Comp. Date: ... Old Total Depth: ...

Domestic well within 330 feet: ... yes X no
Municipal well within one mile: ... yes X no
Depth to bottom of fresh water: 200'
Depth to bottom of usable water: 1700'

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

Surface Pipe by Alternate: ... 1 X 2
Length of Surface Pipe Planned to be set: 450'
Length of Conductor pipe required: 0
Projected Total Depth: 4600'

Formation at Total Depth: Mississippian
Water Source for Drilling Operations:
... well ... farm pond X other

DWR Permit #: ...
Will Cores Be Taken?: ... yes X no

If yes, proposed zone: ...

AFFIDAVIT

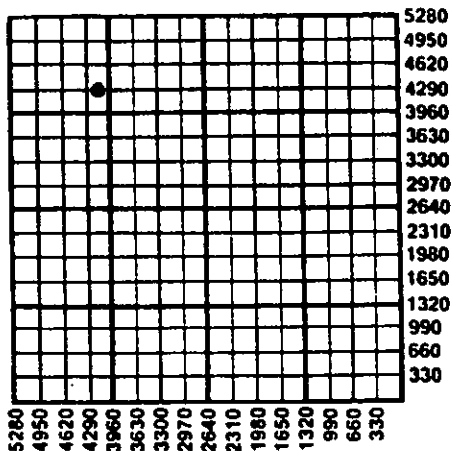
The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, et. seq.

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: [Signature] Title: Executive Vice-president



STATE CORPORATION
CONSERVATION DIVISION
Wichita, Kansas
AUG 7 1989

FOR KCC USE:

API # 15- 171-20 393-0000

Conductor pipe required NONE feet

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

Approved by: DPW 8-07-89

EFFECTIVE DATE: 8-12-89

This authorization expires: 2-07-90
(This authorization void if drilling not started within 6 months of effective date.)

Spud date: _____ Agent: _____

18
18
31W

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.