

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

Expected Spud Date 9 25 89
month day year

SW SE SW ... Sec 3 ... Twp 18 S, Rg 17 ... X East West

OPERATOR: License # .. 8430
Name: .. FOX FIRE DRILLING CO., INC.
Address: .. 224 S. 3RD, P.O. BOX 133
City/State/Zip: .. WAKEENEY, KANSAS 67672
Contact Person: .. D.C. MARCHANT
Phone: .. (505) 622-6409 / (805) 528-7539

..... 330 feet from South line of Section
..... 3630 feet from East line of Section
(Note: Locate well on Section Plat Below)

CONTRACTOR: License #: .. 3755
Name: BISON DRILLING, INC.

County: BUSH
Lease Name: SCHWARTZKOPF Well #: 1
Field Name: .. NEW DISCOVERY REICHEL

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

Is this a Prorated Field? yes X no
Target formation(s): BASAL PENN STAND
Nearest lease or unit boundary: .. 330
Ground Surface Elevation: 1994 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: ... 500' 360'
Depth to bottom of usable water: ... 900' 460'

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

Surface Pipe by Alternate: .. X 1 2
Length of Surface Pipe Planned to be set: 1100'
Length of Conductor pipe required: N.A.
Projected Total Depth: .. 3620'

Formation at Total Depth: .. GRANITE WASH
Water Source for Drilling Operations:
(EDMUND L. OBORNY.) X All farm pond other

DWR Permit #:
Will Cores Be Taken?: yes .. X no
If yes, proposed zone:

AFFIDAVIT

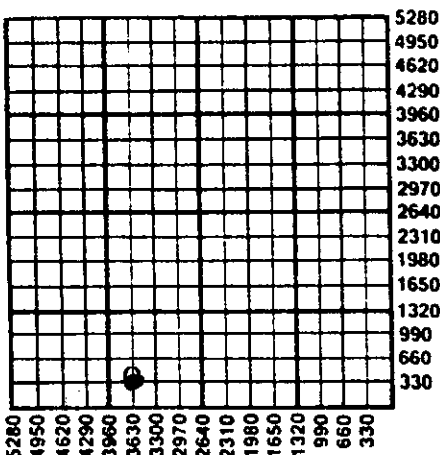
The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-10: et. seq.

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: ... 9/13/89 Signature of Operator or Agent: D.C. Marchant Title: MANAGER



SEP 14 1989
9-14-89
CONSERVATION DIVISION
TECHNICAL SERVICES

FOR KCC USE:

API # 15-165-21,494-0000 VD

Conductor pipe required NONE feet

Minimum surface pipe required 480' feet per Alt. OX

Approved by: DPW 9-15-89

EFFECTIVE DATE: 9-20-89

This authorization expires: 3-15-90

(This authorization void if drilling not started within 6 months of effective date.)

Spud date: _____ Agent: _____

3
18
17W

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.