

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

*** 90' W of

Expected Spud Date August 11, 1989
month day year

C-S/2 S/2 SW.. Sec .8.. Twp .18. S, Rg 18.. X West

*** 330 feet from South line of Section
*** 4050 feet from East line of Section
(Note: Locate well on Section Plat Below)

OPERATOR: License # 3701
Name: BALCRON OIL COMPANY
Address: P. O. Box 20174
City/State/Zip: Billings, Montana 58104
Contact Person: Alan Townsend
Phone: 406/259-7860

County: Rush
Lease Name: John K. Well #: 1-8
Field Name: Wildcat

CONTRACTOR: License #: 5929
Name: DUKE DRILLING CO., INC.

Is this a Prorated field? yes X no
Target Formation(s): Arbuckle

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

*** Nearest lease or unit boundary: 330
Ground Surface Elevation: N/A feet MSL

Domestic well within 330 feet: yes X no
Municipal well within one mile: yes X no
Depth to bottom of fresh water: 350'
Depth to bottom of usable water: 480'

If OWD: old well information as follows:

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

Surface Pipe by Alternate: X 1 ... 2
Length of Surface Pipe Planned to be set: 1000'

Length of Conductor pipe required: N/A
Projected Total Depth: 3850'

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

Formation at Total Depth: Arbuckle
Water Source for Drilling Operations:

X well ... farm pond ... other

DWR Permit #: _____

Will Cores Be Taken? ... yes X no

If yes, proposed zone: _____

WAS: 90'E of C-S/2 SE ;
.660'FSL & 1230'FEL ; ~~660'FSL~~ AFFIDAVIT

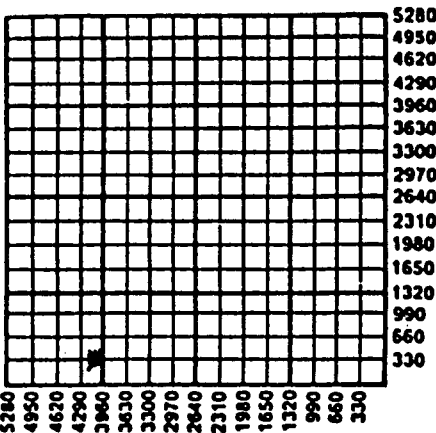
The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, et. seq.

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: 8/14/89 Signature of Operator or Agent: James B. Phillips Title: Agent



RECEIVED
STATE CORPORATION COMMISSION
AUG 17 1989
8-17-89
CONSERVATION DIVISION
Wichita, Kansas

FOR KCC USE:
API # 15- 165-21,487-0000
Conductor pipe required None feet
Minimum surface pipe required 500 feet per Alt. OX
Approved by: DPW 8-17-89; ORG- 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.