

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

Expected Spud Date March 6, 1989 Cen NE SE Sec 3 Twp 18S S, Rg 21 East  
month day year X West

OPERATOR: License # 3667  
Name: Source Petroleum a Div. of Presley Petroleum Co.  
Address: 200 W. Douglas, Ste 820  
City/State/Zip: Wichita, KS 67202  
Contact Person: John D. Howard, Jr.  
Phone: 316-262-7397

1980' feet from South line of Section  
660' feet from East line of Section

CONTRACTOR: License #: Unknown  
Name: .....

County: Ness  
Lease Name: Pabst "A" Well #: 2  
Field Name: N/A

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

Is this a Prorated Field? ... yes X no  
Target Formation(s): LKC, Ft. Scott, Cherokee, Mississippi  
Nearest lease or unit boundary: 660'  
Ground Surface Elevation: 2138' feet MSL  
Domestic well within 330 feet: ... yes X no  
Municipal well within one mile: ... yes XX no  
Depth to bottom of fresh water: 180'  
Depth to bottom of usable water: 500' 750'  
Surface Pipe by Alternate: ... 1 X 2  
Length of Surface Pipe Planned to be set: 200'  
Length of Conductor pipe required: NONE  
Projected Total Depth: 4300'  
Formation at Total Depth: Mississippi  
Water Source for Drilling Operations:  
... well ... farm pond X other  
DWR Permit #: .....  
Will Cores Be Taken?: ... yes X no  
If yes, proposed zone: .....

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

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

AFFIDAVIT

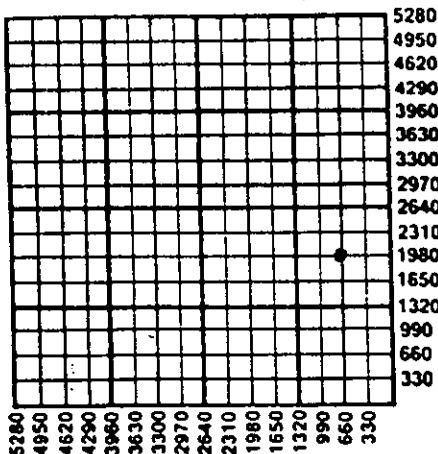
The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, et. seq.

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: 2/28/89 Signature of Operator or Agent: John D. Howard, Jr. Title: General Manager



RECEIVED  
STATE CORPORATION COMMISSION  
3-1-89  
MAR 1 1989  
CONSERVATION DIVISION  
Wichita, Kansas

FOR KCC USE: DA

API # 15- 135-23,333-0000

Conductor pipe required 200' feet

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

Approved by: LKM 3-1-89

EFFECTIVE DATE: 3-6-89

This authorization expires: 9-1-89

(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.