

P. O.

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

Expected Spud Date February 25 1991 S/2 S/2 NW Sec 3 Twp 34 S, Rg 6 East West

OPERATOR: License # 5399
 Name: American Energies Corporation
 Address: 155 North Market, Suite 710
 City/State/Zip: Wichita, Kansas 67202
 Contact Person: Alan L. DeGood, Vice-President
 Phone: 316-263-5785

2970 feet from South line of Section
 3960 feet from East line of Section
 (Note: Locate well on Section Plat on Reverse Side)

CONTRACTOR: License #: 5418
 Name: Allen Drilling Company

County: Harper County
 Lease Name: Walker Well #: "F" #1
 Field Name: Wharton

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

Is this a Prorated Field? ... yes no
 Target Formation(s): Kansas City, Mississippian
 Nearest lease or unit boundary: 330'
 Ground Surface Elevation: 1277 Est. feet MSL

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

Domestic well within 330 feet: ... yes no
 Municipal well within one mile: ... yes no
 Depth to bottom of fresh water: 50'

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

Depth to bottom of usable water: 180'
 Surface Pipe by Alternate: 1 ... 2
 Length of Surface Pipe Planned to be set: 265'
 Length of Conductor pipe required: None

Projected Total Depth: 4600'
 Formation at Total Depth: Mississippian
 Water Source for Drilling Operations:
 ... well ... farm pond other

DWR Permit #: _____
 Will Cores Be Taken?: ... yes 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: _____ Signature of Operator or Agent: Alan L. DeGood Title: Vice President

FOR KCC USE:
 API # 15- 077-21,236-00-00
 Conductor pipe required None feet
 Minimum surface pipe required 400 feet per Alt. (1)
 Approved by: MAN 2-20-91
 EFFECTIVE DATE: 2-25-91
 This authorization expires: 8-20-91
 (This authorization void if drilling not started within 6 months of effective date.)
 Spud date: _____ Agent: _____

RECEIVED
 STATE CONSERVATION COMMISSION
 FEB 8 1991
 CONSERVATION DIVISION
 Wichita, Kansas

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.

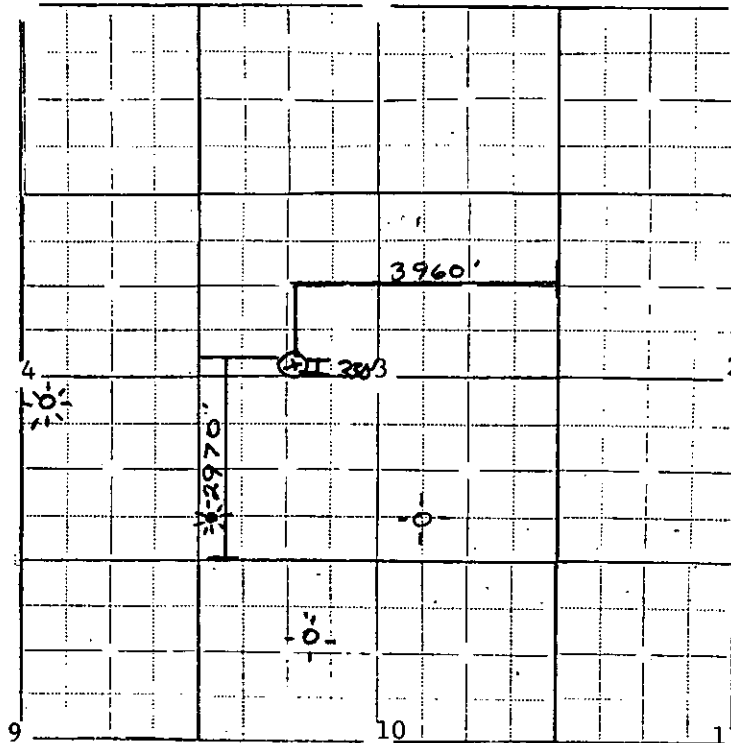
PLAT OF ACREAGE ATTRIBUTABLE TO A WELL

State Corporation Commission, Conservation Division
200 Colorado Derby Bldg. Wichita, Kansas 67202

OPERATOR American Energies Corporation LOCATION OF WELL:
 LEASE Walker 2970 feet north of SE corner
 WELL NUMBER F #1 3960 feet west of SE corner
 FIELD Wharton Sec. 3 T 34S R 6 $\frac{1}{2}$ W
 COUNTY Harper
 NO. OF ACRES ATTRIBUTABLE TO WELL 160 IS SECTION X REGULAR IRREGULAR?
 DESCRIPTION OF ACREAGE NW/4 of Sec. 3 IF IRREGULAR, LOCATE WELL FROM NEAREST
 CORNER BOUNDARY.

NOTE: If plat depicted is insufficient for your circumstances, you may attach your own scaled or surveyed plat.

PLAT



In plotting the proposed location of the well, you must show:

- 1) The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding partial sections, 4 sections, 16 sections, etc.;
- 2) the well's location relative to the location of other wells producing from the same common source of supply in adjoining drilling units, pursuant to K.A.R. 82-3-108, 82-3-207, 82-3-312, or special orders of the Commission;
- 3) the distance of the proposed drilling location from the section's east and south lines; and
- 4) the distance to the nearest lease or unit boundary line.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Signature of Operator or Agent Alan L. DeGood
 Alan L. DeGood
 Date -2-7-91 Title Vice-President