

Must be approved by the K.C.C. five (5) days prior to commencing well
 11-19-89
 Expected Spud Date October 23, 1989
 month day year

Approx. 150' N of
 SW NW Sec 25 Twp 19S S, Rg 22 X East West

OPERATOR: License # 8996
 Name: Mid-Continent Resources, Inc.
 Address: P. O. Box 399
 City/State/Zip: Garden City, KS 67846
 Contact Person: Cecil O'Brate
 Phone: (316)-275-7461

3450 feet from South line of Section
 4620 feet from East line of Section
 (Note: Locate well on Section Plat Below)

CONTRACTOR: License #: 8241
 Name: Emphasis Oil Operations

County: Ness
 Lease Name: Borger Well #: 1
 Field Name: Schaben NORTH

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): Mississippi
 Nearest lease or unit boundary: 330 510'
 Ground Surface Elevation: Est. 2290 feet MSL
 Domestic well within 330 feet: yes no
 Municipal well within one mile: yes no
 Depth to bottom of fresh water: 130' 180'
 Depth to bottom of usable water: 500' 600'
 Surface Pipe by Alternate: 1 2
 Length of Surface Pipe Planned to be set: 240'
 Length of Conductor pipe required: N/A
 Projected Total Depth: 4400'
 Formation at Total Depth: Mississippi
 Water Source for Drilling Operations:
 well farm pond other

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

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

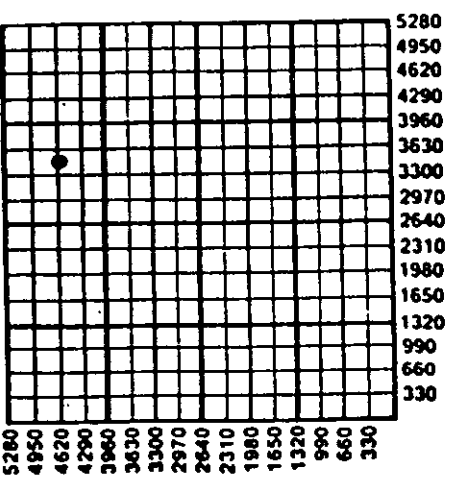
Directional, Deviated or Horizontal wellbore? yes no
 If yes, total depth location: _____
 * Prorated: SCHABEN - MISS.

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: 10-5-89 Signature of Operator or Agent: _____ Title: _____ Agent



FOR KCC USE:

API # 15- 135-23,399-00-00 O/ 3-30-90

Conductor pipe required NONE feet

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

Approved by: DPW 10-31-89

EFFECTIVE DATE: 11-05-89

This authorization expires: 5-01-90

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

Spud date: _____ Agent: _____

25 19 22W

- 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.