

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

Expected Spud Date August 1 1989 Ap. E/2 W/2 SW Sec 8 Twp 35 S, Rg 13 East
month day year

OPERATOR: License # 5171
Name: TXO Production Corp.
Address: 1660 Lincoln St., Suite 1800
City/State/Zip: Denver, CO 80264
Contact Person: Les Smith
Phone: 303/861-4246

1249 feet from South line of Section
4219 feet from East line of Section
(Note: Locate well on Section Plat Below)

CONTRACTOR: License #: 5418
Name: Allen Drilling

County: Barber
Lease Name: Sternberger Well #: A #2
Field Name: (Aetna Ext.) UNKNOWN
Is this a Prorated Field? yes X no
Target Formation(s): Mississippian
Nearest lease or unit boundary: 1061'
Ground Surface Elevation: 1527 feet MSL
Domestic well within 330 feet: yes X no
Municipal well within one mile: yes X no
Depth to bottom of fresh water: 250' 200'
Depth to bottom of usable water: 250' 200'
Surface Pipe by Alternate: X 1 2
Length of Surface Pipe Planned to be set: 390
Length of Conductor pipe required: N/A
Projected Total Depth: 5250'
Formation at Total Depth: Mississippian
Water Source for Drilling Operations:
... well X farm pond ... other
DWR Permit #: _____
Will Cores Be Taken?: yes X no
If yes, proposed zone: _____

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

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

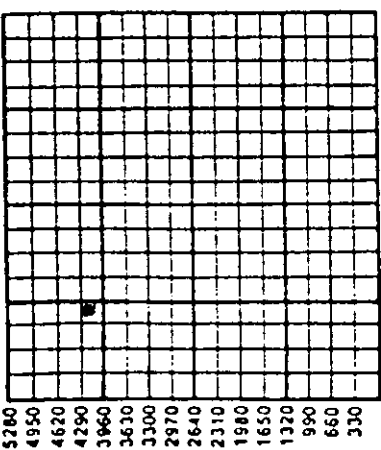
Directional, Deviated or Horizontal wellbore? ... yes X ... no
If yes, total depth location: _____

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 is completed, 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: 7/25/89 Signature of Operator or Agent: Les Smith Title: Drlg/Prodn Engineer



RECEIVED
KANSAS CORPORATION COMMISSION
26 1989
CONSERVATION DIVISION
Wichita, Kansas

FOR KCC USE:
API # 15-007-22,253-00-00 VG
Conductor pipe required NONE feet
Minimum surface pipe required 200' feet per Alt. (X)
Approved by: DW 7-27-89
EFFECTIVE DATE: 8-01-89
This authorization expires: 1-27-90
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: _____ Agent: _____

8
35
13W

- 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.