

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

Expected Spud Date 08/25/89
month day year

NW NE SW Sec 02 Twp 27 S, Rg 12 East West

OPERATOR: License # 9582
Name: STUDER OIL, INC.
Address: STAR ROUTE
City/State/Zip: PRATT KS 67124
Contact Person: BILLY STUDER
Phone: (316) 672-7571

2310 feet from South line of Section
3630 feet from East line of Section
(Note: Locate well on Section Plat Below)

CONTRACTOR: License #: 9421
Name: BOGER BROS. DRILLING, INC.

County: PRATT
Lease Name: HAAS Well #: 2
Field Name: UNKNOWN STEAD SOUTH
Is this a Prorated Field? yes no
Target Formation(s): ARBUCKLE
Nearest lease or unit boundary: 330
Ground Surface Elevation: 1885 feet MSL
Domestic well within 330 feet: yes no
Municipal well within one mile: yes no
Depth to bottom of fresh water: 220
Depth to bottom of usable water: 240
Surface Pipe by Alternate: 1 2
Length of Surface Pipe Planned to be set: 400
Length of Conductor pipe required: *****
Projected Total Depth: 4550
Formation at Total Depth: ARBUCKLE
Water Source for Drilling Operations:
... well ... farm pond other
DWR Permit #: _____
Will Cores Be Taken?: yes no
If yes, proposed zone: _____

Well Drilled For: Well Class: Type Equipment:

Oil ... Inj Infield Mud Rotary
... Gas ... Storage ... Pool Ext. ... Air Rotary
... OWWO ... Disposal ... Wildcat ... Cable
... Seismic; ... # of Holes

If OWWO: old well information as follows:

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

Directional, Deviated or Horizontal wellbore? ... yes 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.

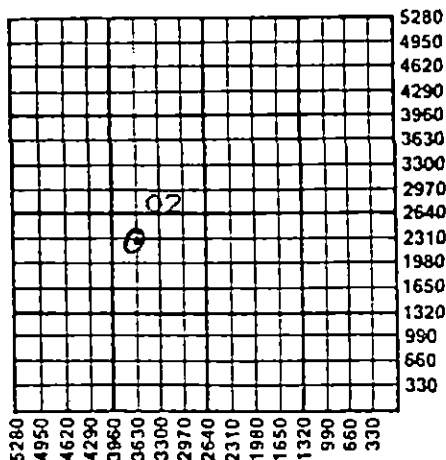
It is agreed that the following minimum requirements will be met:

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: 08/23/89 Signature of Operator or Agent: _____ Title: AGENT

SEARCH, INC.



AUG 23 1989
CONSERVATION DIVISION
Wichita, Kansas

FOR KCC USE: 104G

API # 15- 151-21944-00.00

Conductor pipe required None feet

Minimum surface pipe required 260 feet per Alt.

Approved by: DW 8-23-89

EFFECTIVE DATE: 8-28-89

This authorization expires: 8-23-90

(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.