

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

Expected Spud Date 3 23 89  
month day year

C... NW NE... Sec 14... Twp 28 S, Rg 11 East  
West

OPERATOR: License # 3711  
Name: SHEPLER & THOMAS, INC.  
Address: P.O. Box 1162  
City/State/Zip: Liberal, Kansas 67905-1162  
Contact Person: R. F. Burke  
Phone: 316-624-0750

4620 feet from South line of Section  
1980 feet from East line of Section  
(Note: Locate well on Section Plat Below)

CONTRACTOR: License #: 5302  
Name: Red Tiger Drilling Co.

County: Pratt  
Lease Name: Royse Well #: 1  
Field Name: N/A  
Is this a Prorated Field? ... yes  no  
Target Formation(s): Red Cave  
Nearest lease or unit boundary: 1980  
Ground Surface Elevation: N/A feet MSL  
Domestic well within 330 feet: ... yes  no  
Municipal well within one mile: ... yes  no  
Depth to bottom of fresh water: 180  
Depth to bottom of usable water: 180 200'  
Surface Pipe by Alternate:  1 ... 2  
Length of Surface Pipe Planned to be set: 225  
Length of Conductor pipe required: N/A  
Projected Total Depth: 2700  
Formation at Total Depth: Red Cave  
Water Source for Drilling Operations:  
 well ... farm pond ... other  
DWR Permit #: N/A  
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  
... OWMO ... Disposal ... Wildcat ... Cable  
... Seismic; ... # of Holes

If OWMO: 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**

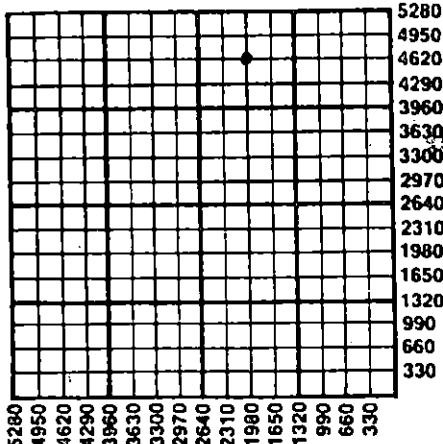
The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, et. seq.

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: 3-21-89 Signature of Operator or Agent: [Signature] Title: Owner  
BY RED TIGER DRILLING CO.



RECEIVED  
STATE CORPORATION COMMISSION  
MAR 21 1989  
CONSERVATION DIVISION  
Wichita, Kansas

FOR USE:  
API # 15-151-21923-66-60  
Conductor pipe required NONE feet  
Minimum surface pipe required 225' feet per Alt.   
Approved by: LM 3-21-89  
EFFECTIVE DATE: 3-26-89  
This authorization expires: 9-21-89  
(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.