

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

Expected Spud Date ..... 02/28/89 ..... month day year  
 .NW ..SE ..SWSec ..32 Twp ..01 S, Rg ..38 X West

OPERATOR: License # .... 9041 .....  
 Name: ... STRABALA, JOSEPH .....  
 Address: ... 312 E. UINTAH .....  
 City/State/Zip: ... COLORADO SPRINGS CO. 80903 .....  
 Contact Person: ..... JOE STRABALA .....  
 Phone: .... (303) 635-7807 .....

..... 1250 ..... feet from South line of Section  
 ..... 3880 ..... feet from East line of Section  
 (Note: Locate well on Section Plat Below)

CONTRACTOR: License #: ... 4083 .....  
 Name: ... WESTERN KANSAS DRILLING .....

County: ... CHEYENNE .....  
 Lease Name: WATERS ..... Well #: .. #3 .....  
 Field Name: .....  
 Is this a Prorated Field? .... yes .. Xno  
 Target Formation(s): ... MISSISSIPPI .....  
 Nearest lease or unit boundary: .... 1250 .....  
 Ground Surface Elevation: ... 3220 ..... feet MSL  
 Domestic well within 330 feet: .... yes .. Xno  
 Municipal well within one mile: .... yes .. Xno  
 Depth to bottom of fresh water: ..... 180 .....  
 Depth to bottom of usable water: ..... 180 .....  
 Surface Pipe by Alternate: .. X 1 .... 2  
 Length of Surface Pipe Planned to be set: .. 200 .....  
 Length of Conductor pipe required: .. \*\*\*\*\* .....  
 Projected Total Depth: .. 4900 .....  
 Formation at Total Depth: .. MISSISSIPPI .....  
 Water Source for Drilling Operations:  
 ... well .. X farm pond .... other  
 DWR Permit #: .....  
 Will Cores Be Taken?: .... yes .. Xno  
 If yes, proposed zone: .....

Well Drilled For: Well Class: Type Equipment:  
XOil ... Inj ... Infield XMud Rotary  
 ... Gas ... Storage ... Pool Ext. ... Air Rotary  
 ... OWO ... Disposal XWildcat ... Cable  
 ... Seismic; ... # of Holes

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

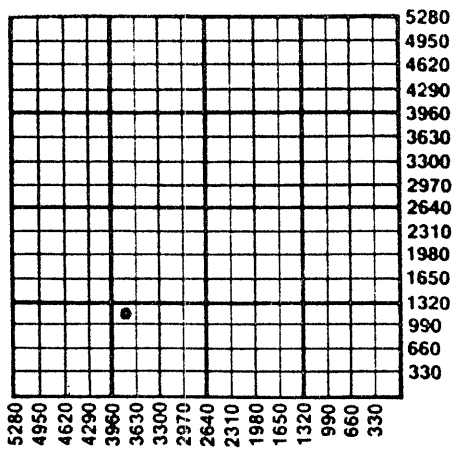
Directional, Deviated or Horizontal wellbore? .... yes .. Xno  
 If yes, total depth location: .....

**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.  
02/24/89  
 Date: ..... Signature of Operator or Agent: ..... Title: AS AGENT



RECEIVED  
 STATE CORPORATION COMMISSION  
02-24-1989  
 FEB 24 1989  
 CONSERVATION DIVISION  
 Wichita, Kansas

SEARCHED, INC. FOR KCC USE

API # 15- 023-20,269-00-00 ✓ DA  
 Conductor pipe required \_\_\_\_\_ feet  
 Minimum surface pipe required 200' feet per Alt. (1) R  
 Approved by: LKM 2-24-89  
 EFFECTIVE DATE: 2-29-89  
 This authorization expires: 8-24-89  
 (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.