VERBAL PERMIT FORM
(To Be Filed By Plugging Agent)

J. Lewis Brock
Administrator
500 Insurance Building
Wichita, Kansas 67202

Dear Sir:

Mr. Tom Carroll of Sands American Corp.
date requested permission to plug the following described well:

Mr. Tom Carroll guarantees payment of the plugging fee.

Operator's full Name: Sands American Corp.
Complete Address: 5889 S. Syracuse Circle #203 Englewood, Colo.
Lease Name: McDougall Well No. #1
Location: SE - SW Sec. 4 Twp. 4 Rge. 34 W (W) W
County: Rawlins
Total Depth 4670 Oil Well
Gas Well [X] Input Well [ ] SWD Well [ ] D & A [X] Lost Hole

Mr. Tom Carroll was instructed to plug the well as follows:

Pump down drill stem.
70, 50, 40, 30 Pournix 6% Gel @ 1700'
20, 50, 40 Pournix 6% Gel @ 350'
Build Bridge To 40'
10, 50, 40 Pournix 6% Gel 40'-40'

Very truly yours,

[Signature]
Conservation Division Agent