FORM MUST BE TYPED
FORM C-1 12/88

State of Kansas
NOTICE OF INTENTION TO DRILL

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

Expected Spud Date 6/27/88

OPERATOR: License # 5184
Name: Shields Oil Producers, Inc.
Address: Shields Bldg.
City/State/Zip: Russell, KS 67665
Contact Person: M. L. Batts
Phone: 913-483-3141

CONTRACTOR: License # 5655
Name: Shields Oil Producers, Inc.

Well Drilled For: X Oil | Inj | X Mud Rotary
Gas | Storage | X Pool Ext. | Air Rotary
OWO | Disposal | Wildcat | Cable
Seismic | # of Holes

Well Class: X Oil | Inj | X Mud Rotary
Gas | Storage | X Pool Ext. | Air Rotary
OWO | Disposal | Wildcat | Cable
Seismic | # of Holes

Type Equipment:

County: Sheridan
Lease Name: Scheetz "A" Well #: 1
Field Name: Mahlock, NE
Is this a Prorated Field? Yes X no
Target Formation: Kansas City
Nearest lease or unit boundary: 330'
Ground Surface Elevation: 2510.00
Domestic well within 330 feet: Yes X no
Municipal well within one mile: Yes X no
Depth to bottom of fresh water: 250'
Depth to bottom of usable water: 1700-1500'
Surface Pipe by Alternate: 1 X 2
Length of Surface Pipe Planned to be set: 27.5'
Length of Conductor pipe required: None
Projected Total Depth: 4000'
Formation at Total Depth: Kansas City
Water Source for Drilling Operations:
well X farm pond X other
DWR Permit #: T39-23A
Will Cores Be Taken?: Received

If yes, proposed zone: STATE CORPORTATION COMMISSION

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 58-2001,
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 shall be notified that this 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: 6/19/88
Signature of Operator or Agent:

FOR KCC USE:

API # 15-179-20970-00
Conductor pipe required None feet
Minimum surface pipe required 200 feet for Alt. X.

Approved by: 6-20-87
EFFECTIVE DATE: 6-23-87
This authorization expires: 12-20-89
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.

Mail to: Conservation Division, 200 Colorado Derby Building, 202 W. First St., Wichita, Kansas 67202-1286.