Expected Spud Date: May 18, 1987

OPERATOR: License # 5171
Name: TXO Production Corp.
Address: 155 N. Market, Suite 1000
Wichita, Kansas 67202
Contact Person: Jeffrey S. Childs
Phone: (316) 269-7600

CONTRACTOR: License # 09187
Name: Western Well Drilling, Inc.
City/State: Henderson, CO 80640

Well Drilled For: __ Oil __ Storage __ Infield __ Mud Rotary
__ Gas __ Inj __ Pool Ext. __ Air Rotary
__ OWWO __ Expl __ Wildcat __ Cable

API Number 15—181-20,274

C. E/2. SW. Sec. 32. Twp. 7S. S. Rg. 37. X

West

1320'.

3300'.

(Note: Locate well on Section Plat on reverse side)

Nearest lease or unit boundary line 1320' feet

County: Sherman

Lease Name: SCHIELD

Well #: 1

Ground surface elevation TBD

Domestic well within 330 feet: __ yes __ no

Municipal well within one mile: __ yes __ no

Depth to bottom of fresh water: 100'

Depth to bottom of usable water: 800'

Surface pipe by Alternate:

Surface pipe planned to be set: 350'

Conductor pipe required

Projected Total Depth: 1150'

Formation: Niobrara

I certify that well will comply with K.S.A. 55-101, et seq., plus eventually plugging hole to KCC specifications.

Date: 5-14-87

Signature of Operator or Agent: Jeffrey S. Childs

Title: Drilling & Production Engineer

For KCC Use:

Conductor Pipe Required 350 feet; Minimum Surface Pipe Required 350 feet per Alt.

This Authorization Expires 11-14-87

Approved By 5-14-87
Must be filed with the K.C.C. five (5) days prior to commencing well
This card void if drilling not started within six (6) months of date received by K.C.C.

Important procedures to follow:

1. Notify District office before setting surface casing.

2. Set surface casing by circulating cement to the top.

3. File completion forms ACO-1 with K.C.C. within 120 days of well spud date, following instructions on ACO-1, side 1, and including copies of wireline logs.

4. Notify District office 48 hours prior to old well workover or re-entry.

5. Prior to filing Intent, prepare a proposed plugging plan in case well is D & A, then obtain approval of plan when calling district office prior to setting surface pipe.

6. Submit plugging report (CP-4) to K.C.C. after plugging is completed.

7. Obtain an approved injection docket number before disposing of salt water.

8. Notify K.C.C. within 10 days when injection commences or terminates.

9. If an alternate 2 completion, cement in the production pipe from below any usable water to surface within 120 days of spud date.

State Corporation Commission of Kansas
Conservation Division
200 Colorado Derby Building
Wichita, Kansas 67202-1212
(316) 263-3238