

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

Expected Spud Date 6 27 89
month day year

..SE..SW..NE Sec ..35 Twp ...7. S, Rg 26. X West

.....2970..... feet from South line of Section
.....1650..... feet from East line of Section

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

County: Sheridan
Lease Name: Scheetz "A" Well #: 1
Field Name: Niblock NE

CONTRACTOR: License #: 5655
Name: Shields Drilg. Co., Inc.

Is this a Prorated Field? ... yes X.. no
Target Formation(s): Kansas City
Nearest lease or unit boundary: 330
Ground Surface Elevation: 2510 feet MSL
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: 275
Length of Conductor pipe required: None
Projected Total Depth: 4000
Formation at Total Depth: Kansas City
Water Source for Drilling Operations:

Well Drilled For: Well Class: Type Equipment:
..X Oil ... Inj ... Infield ..X Mud Rotary
... Gas ... Storage ..X Pool Ext. ... Air Rotary
... O/WO ... Disposal ... Wildcat ... Cable
... Seismic; ... # of Holes

If O/WO: 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:

... well farm pond ..X other
DWR Permit #: T89-274
Will Cores Be Taken? ... Yes
If yes, proposed zone: STATE CORPORATION COMMISSION

RECEIVED
JUN 20 1989
JUN 20 1989

AFFIDAVIT

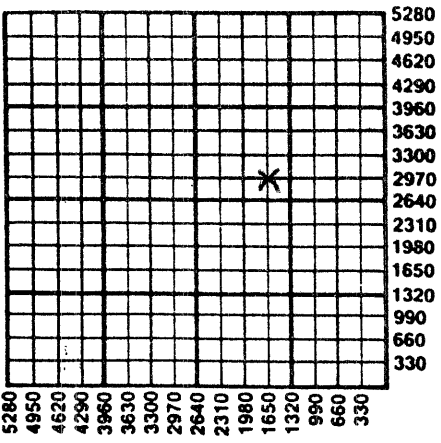
The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 15-101, et. seq.

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: 6-19-89 Signature of Operator or Agent: M. Ratts Title: Prod. Supt.



FOR KCC USE:

API # 15-179-20,946-00-00

Conductor pipe required NONE feet

Minimum surface pipe required 200 feet per Alt. X(2)

Approved by: 6-20-89

EFFECTIVE DATE: 6-23-89

This authorization expires: 12-20-89

(This authorization void if drilling not started within 6 months of effective date.)

Spud date: _____ Agent: _____

35
7
26w

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 prorations 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.