

CARD MUST BE TYPED

State of Kansas

CARD MUST BE SIGNED

NOTICE OF INTENTION TO DRILL

(see rules on reverse side)

Expected Spud Date..... May 18, 1987
month day year

API Number 15— 181-20,274 0000

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

C. E/2. SW. Sec. 32. Twp. 7S. S. Rg. 39. X East West
1320' Ft. from South Line of Section
3300' Ft. from East Line of Section

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

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

Nearest lease or unit boundary line 1320' feet
County Sherman
Lease Name SCHIELD Well # 1

Well Drilled For: Well Class: Type Equipment:
X Oil X Storage X Infill X Mud Rotary
X Gas X Inj X Pool Ext. X Air Rotary
X OWWO X Expl X Wildcat X Cable

Ground surface elevation TBD feet MSL
Domestic well within 330 feet: yes X no
Municipal well within one mile: yes X no

If OWWO: old well info as follows:
Operator
Well Name
Comp Date Old Total Depth

Depth to bottom of fresh water 100'
Depth to bottom of usable water 800' 350
Surface pipe by Alternate: 1 X 2 1/2
Surface pipe planned to be set 350'
Conductor pipe required
Projected Total Depth 1150' feet
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 Drlg. & Prod Engineer

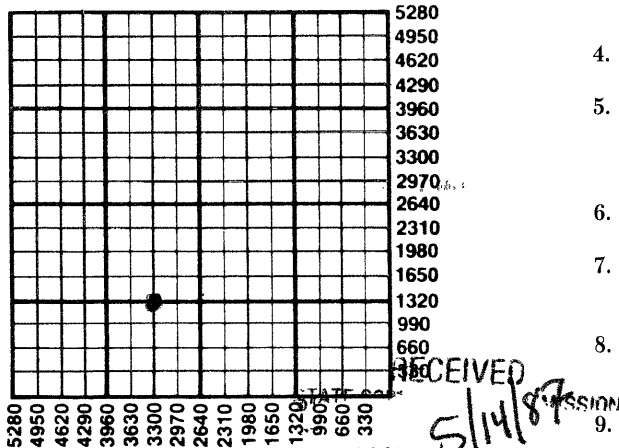
For KCC Use:
Conductor Pipe Required feet; Minimum Surface Pipe Required 350 feet per Alt. OS
This Authorization Expires 11-14-87 Approved By 5-14-87

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.

A Regular Section of Land
1 Mile = 5,280 Ft.



CONSERVATION DIVISION
Wichita, Kansas

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