

For KCC Use:  
 Effective Date: 11-2-05  
 District #: 2  
 SGA?  Yes  No

KANSAS CORPORATION COMMISSION  
 OIL & GAS CONSERVATION DIVISION  
**NOTICE OF INTENT TO DRILL**

RECEIVED

OCT 27 2005

Form C-1

December 2002

Form must be Typed

Form must be Signed

All Blanks must be Filled

Must be approved by KCC five (5) days prior to commencing well

Expected Spud Date October 31, 2005  
month day year

OPERATOR: License# 5192  
 Name: Shawmar Oil & Gas Company, Inc.  
 Address: P.O. Box 9  
 City/State/Zip: Marion, KS 66861  
 Contact Person: Beau J. Cloutier  
 Phone: 620-382-2932

CONTRACTOR: License# 5192  
 Name: Shawmar Oil & Gas Company, Inc.

Well Drilled For:	Well Class:	Type Equipment:
<input type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Infield
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.
<input type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat
<input type="checkbox"/> Seismic; # of Holes	<input type="checkbox"/> Other	<input type="checkbox"/> Cable
<input type="checkbox"/> Other		

If OWWO: old well information as follows:  
 Operator: \_\_\_\_\_  
 Well Name: \_\_\_\_\_  
 Original Completion Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_

Directional, Deviated or Horizontal wellbore?  Yes  No

If Yes, true vertical depth: \_\_\_\_\_

Bottom Hole Location: \_\_\_\_\_

KCC DKT #: \_\_\_\_\_

Spot N/2  
NW/4 / NE/4 - NW/4 Sec. 28 Twp. 18 S. R. 6  East  West  
330 feet from  N /  S Line of Section  
1905 feet from  E /  W Line of Section

Is SECTION  Regular  Irregular?

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

County: Chase

Lease Name: Lips Well #: 3-28

Field Name: Lips

Is this a Prorated / Spaced Field?  Yes  No

Target Formation(s): Admire

Nearest Lease or unit boundary: 330

Ground Surface Elevation: 1441 est. feet MSL

Water well within one-quarter mile:  Yes  No

Public water supply well within one mile:  Yes  No

Depth to bottom of fresh water: 150'

Depth to bottom of usable water: 180'

Surface Pipe by Alternate:  1  2

Length of Surface Pipe Planned to be set: 200'

Length of Conductor Pipe required: none

Projected Total Depth: 600

Formation at Total Depth: Admire

Water Source for Drilling Operations:

Well  Farm Pond  Other \_\_\_\_\_

DWR Permit #: \_\_\_\_\_

(Note: Apply for Permit with DWR )

Will Cores be taken?  Yes  No

If Yes, proposed zone: \_\_\_\_\_

**AFFIDAVIT**

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.

It is agreed that the following minimum requirements will be met:

1. Notify the appropriate district office **prior** to spudding of well;
2. A copy of the approved notice of intent to drill **shall be** posted on each drilling rig;
3. The minimum amount of surface pipe as specified below **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.
4. If the well is dry hole, an agreement between the operator and the district office on plug length and placement is necessary **prior to plugging**;
5. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
6. If an ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water to surface within **120 days** of spud date. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,891-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. **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: October 24, 2005 Signature of Operator or Agent: [Signature] Title: Vice-President

**For KCC Use ONLY**

API # 15 - 017-20879-00-00

Conductor pipe required NONE feet

Minimum surface pipe required 200 feet per Alt. (1)

Approved by: RJP10-28-05

This authorization expires: 4-28-06  
 (This authorization void if drilling not started within 6 months of approval 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.
- If this permit has expired (See: authorized expiration date) please check the box below and return to the address below.

Well Not Drilled - Permit Expired  
 Signature of Operator or Agent: [Signature]

Date: 12/18/05

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

RECEIVED  
 DEC 20 2006

KCC WICHITA

28  
18  
6E