



For KCC Use:
 Effective Date: 07/14/2010
 District # 2
 SGA? Yes No

KANSAS CORPORATION COMMISSION 1040595
 OIL & GAS CONSERVATION DIVISION

Form C-1
 March 2010
 Form must be Typed
 Form must be Signed
 All blanks must be Filled

NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well
Form KSONA-1, Certification of Compliance with the Kansas Surface Owner Notification Act, MUST be submitted with this form.

Expected Spud Date: 07/12/2010
 month day year

Spot Description: _____
 _____ - SE - NW Sec. 27 Twp. 18 S. R. 6 E W
 (0000) 1,980 feet from N / S Line of Section
3,300 feet from E / W Line of Section

OPERATOR: License# 5192
 Name: Shawmar Oil & Gas Co., Inc.
 Address 1: 1116 E MAIN
 Address 2: PO BOX 9
 City: MARION State: KS Zip: 66861 + 1230
 Contact Person: Beau J Cloutier
 Phone: 620-382-2932

Is SECTION: Regular Irregular?

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

CONTRACTOR: License# _____
 Name: Advise on ACO-1 -- Must be licensed by KCC

County: Chase

Lease Name: Lips Well #: 8-27

Field Name: Lipps D

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Admire/Indian Cave

Nearest Lease or unit boundary line (in footage): 990

Ground Surface Elevation: 1484 Estimated Estimated 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: 100

Depth to bottom of usable water: 180

Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: 200

Length of Conductor Pipe (if any): _____

Projected Total Depth: 700

Formation at Total Depth: Admire/Indian Cave

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: _____

Well Drilled-For: Well-Class: Type Equipment:

Oil Enh Rec Infield Mud Rotary
 Gas Storage Pool Ext. Air Rotary
 Disposal Wildcat Cable

Seismic: _____ # of Holes Other

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 #: _____

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.

RECEIVED
 AUG 04 2010

Submitted Electronically

For KCC Use ONLY

API # 15-017-20907-00-00

Conductor pipe required 0 feet.

Minimum surface pipe required 200 feet per ALT. I II

Approved by: Rick Hestermann 07/09/2010

This authorization expires: 07/09/2011
 (This authorization void if drilling not started within 12 months of approval date.)

Spud date: _____ Agent: _____

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

Remember to:

- File Certification of Compliance with the Kansas Surface Owner Notification Act (KSONA-1) with Intent to Drill;
- 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 (within 60 days);
- Obtain written approval before disposing or injecting salt water.
- If well will not be drilled or permit has expired (See: authorized expiration date) please check the box below and return to the address below.

Well will not be drilled or Permit Expired Date: 8/3/10
 Signature of Operator or Agent: _____

27
 18
 6
 E
 W