



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
 _____ feet from N / S Line of Section
 _____ feet from E / W Line of Section
 Is SECTION: Regular Irregular?

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

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

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

Well Drilled For: Well Class: Type Equipment:
 Oil Enh Rec Infield Mud Rotary
 Gas Storage Pool Ext. Air Rotary
 Seismic; _____ # of Holes Wildcat Cable
 Other: _____
 if OWWO: old well information as follows:

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

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 #: _____

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.

RECEIVED
 KANSAS CORPORATION COMMISSION
 AUG 19 2010
 CONSERVATION DIVISION
 WICHITA, KS

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: _____

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: 8/18/10
 Signature of Operator or Agent: _____

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

27
 18
 6
 E
 W