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OCT 14 2003

Form C-1
December 2002

For KCC Use: 10-22-03
Effective Date: _____
District # 1
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

KCC WICHITA

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 17, 2003
month day year

Spot w2 w2 sw nw Sec. 13 Twp. 16 S. R. 28W East West
1930' FNL feet from N / S Line of Section
140' FWL feet from E / W Line of Section

OPERATOR: License# 6569
Name: Carmen Schmitt Inc.
Address: P.O. Box 47
City/State/Zip: Great Bend, KS 67530
Contact Person: Carmen Schmitt
Phone: 620 793 5100

Is SECTION Regular Irregular?

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

CONTRACTOR: License# 5184
Name: Shields Oil Producers, Inc.

County: Lane

Lease Name: Mildred Unit Well #: 1

Field Name: Unnamed

Is this a Prorated / Spaced Field? Yes No

Target Information(s): Mississippian

Nearest Lease or unit boundary: 330' east, 330' north, 330' west

Well Drilled For: Oil Gas OWWO Seismic; # of Holes Other
Well Class: Enh Rec Storage Disposal Other
Type Equipment: Mud Rotary Air Rotary Cable

Ground Surface Elevation: 2705 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: 180'

Depth to bottom of usable water: 1300'

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 200'

Length of Conductor Pipe required: NONE

Projected Total Depth: 4600'

Formation at Total Depth: Mississippian

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: _____

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 #: _____

* Unit Boundary - Sec A & B

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: 10-11-03 Signature of Operator or Agent: Carmen Schmitt Title: Secretary

For KCC Use ONLY
API # 15 - 101-21825-00.00
Conductor pipe required NONE feet
Minimum surface pipe required 300 feet per Alt. (2)
Approved by: RJP 10-17-03
This authorization expires: 4-17-04
(This authorization void if drilling not started within 6 months of effective 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: _____

Date: _____

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

13
16
28W

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plat of acreage attributable to a well in a prorated or spaced field

If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please show all the wells and within 1 mile of the boundaries of the proposed acreage attribution unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for oil wells.

API No. 15 - _____
 Operator: Carmen Schmitt Inc.
 Lease: Mildred Unit
 Well Number: 1
 Field: Unnamed

Number of Acres attributable to well: 20
 QTR / QTR / QTR of acreage: w2 w2 - sw - nw

Location of Well: County: Lane
1930' FNL feet from N / S Line of Section
140' FWL feet from E / W Line of Section
 Sec. 13 Twp. 16 S., R. 28W East West

Is Section: Regular or Irregular

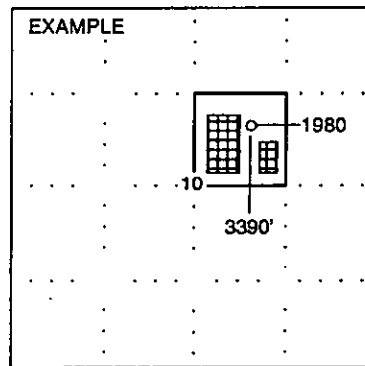
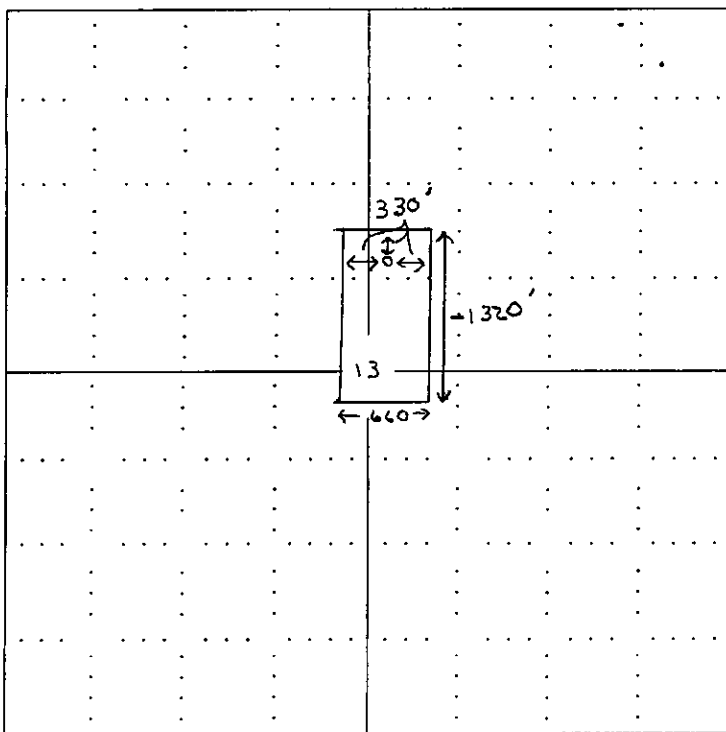
If Section Is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

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PLAT

*(Show location of the well and shade attributable acreage for prorated or spaced wells.)
 (Show footage to the nearest lease or unit boundary line.)*



SEWARD CO.

NOTE: In all cases locate the spot of the proposed drilling location.

In plotting the proposed location of the well, you must show:

1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the section's south / north and east / west.
3. The distance to the nearest lease or unit boundary line.
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (CO-7 for oil wells; CG-8 for gas wells).

Post-it® Fax Note	7871	Date	10-15-03	# of Pages	3
To	Bob Peterson	From	Carmen Schmitt		
Co./Dept.		Co.	CSI		
Phone #	316 337 6223	Phone #	620 733 5100		
Fax #	316 337 6211	Fax #	620 733 5099		

DECLARATION OF POOLING

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, CARMEN SCHMITT INC., P.O. Box 47, Great Bend, Ks 67530, hereinafter referred to as "the undersigned", is the owner of the oil and gas leases described on Exhibit "A" attached hereto and made a part hereof, insofar as said leases cover the following lands in Lane County, Kansas as described herein to-wit:

TOWNSHIP 16 SOUTH - RANGE 28 WEST
SECTION 13: W/2
SECTION 14: SE/4; S/2 NE/4; NW/4 NE/4

WHEREAS, the oil and gas leases, numbered 1, 2, 3 and 4, described in Exhibit "A" contain a pooling and unitization clause which states:

"Lessee, at its option, is hereby given the right and power to pool or combine the acreage covered by this lease or any portion thereof with other land, lease or leases in the immediate vicinity thereof, when in lessee's judgement it is necessary or advisable to do so in order to properly develop and operate said lease premises so as to promote the conservation of oil, gas or other minerals in and under and that may be produced from said premises, such pooling to be of tracts contiguous to one another and to be into a unit or units not exceeding 40 acres each in the event of an oil well, or into a unit or units not exceeding 640 acres each in the event of a gas well. Lessee shall execute in writing and record in the conveyance records of the county in which the land herein leased is situated an instrument identifying and describing the pooled acreage. The entire acreage so pooled into a tract or unit shall be treated, for all purposes except the payment of royalties on production from the pooled unit, as if it were included in this lease. If production is found on the pooled acreage, it shall be treated as if production is had from this lease, whether the well or wells be located on the premises covered by this lease or not. In lieu of the royalties elsewhere herein specified, lessor shall receive on production from a unit so pooled only such portion of the royalty stipulated herein as the amount of his acreage placed in the unit or his royalty interest therein on an acreage basis bears to the total acreage so pooled in the particular unit involved."

WHEREAS, the undersigned desire to pool and unitize all oil and gas lease described hereinabove, insofar and only insofar as the same cover the following described lands, to-wit:

TOWNSHIP 16 SOUTH - RANGE 28 WEST

SECTION 13: A tract of land with the Point of Beginning being 1,600 feet south of the Northwest corner of said section, thence East 470 feet at a right angle to the West line of said section, thence South parallel to the west line of said section a distance of 1320 feet, thence west 470 feet at a right angle to the West line of said section, thence North along the West line of said section 1320 feet to the Point of Beginning.

SECTION 14: A tract of land with the Point of Beginning being 1600 feet south of the Northeast corner of said section, thence West 190 feet at a right angle to the East line of said section, thence South parallel to the east line of said section a distance of 1320 feet, thence East 190 feet at a right angle to the East line of said section, thence North along the East line of said section 1320 feet to the Point of Beginning.

Said lands, containing twenty (20) acres, more or less, now being identified as "THE POOLED AND UNITIZED AREA" for production of oil and/or gas and associated hydrocarbons from all zones and formations.

NOW THEREFORE, the undersigned, does hereby pool and unitize the above described lands into one pooled and unitized area, containing twenty (20) acres, provided that said pooling and unitization is limited to production of oil and/or gas and associated hydrocarbons from all zones and formations.

The royalties accruing from any well located on said unit shall be prorated and paid to lessors of the various tracts included in the POOLED AND UNITIZED AREA in the same proportion that each tract of said lessor bears to the total of the POOLED AND UNITIZED AREA.

IN WITNESS WHEREOF, this DECLARATION OF POOLING AND UNITIZATION, was executed this 5th day of October, 2003.

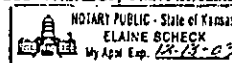
CARMEN SCHMITT INC.

By: Carmen Schmitt
 Carmen Schmitt, Secretary

STATE OF KANSAS, COUNTY OF BARTON, SS:

The foregoing instrument was acknowledged before me this 5th day of October, 2003, by Carmen Schmitt, who personally appeared and is known to me to be the identical person who subscribed the name of the maker thereof to the foregoing instrument as its Secretary, and acknowledged to me that he executed the same as his free and voluntary act and deed and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

My commission expires: 12-18-2003

Stacy Notary Public

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 WICHITA, KS
 CONSERVATION DIVISION

EXHIBIT "A"

Attached to and made a part of that certain Declaration of Pooling and Unitization

LEASE #1
 LESSOR: Christian Church in Kansas (Disciples of Christ, a Kansas Corp.
 LESSEE: J. Fred Hambright, Inc.
 LEASE DATE: June 26, 2002
 DESCRIPTION: TOWNSHIP 16 SOUTH - RANGE 28 WEST
 Section 14: S/2 NE/4; NW/4 NE/4
 RECORDING DATA: Book 104, Page 39, Lane County Kansas records

LEASE #2
 LESSOR: Mildred E. Bentley, Trustee of the Mildred E. Bentley Trust dtd. 11/20/86;
 Mildred E. Bentley Successor Trustee of the Wendell S. Bentley Trust dtd.
 11/20/86
 LESSEE: J. Fred Hambright Inc.
 LEASE DATE: June 20, 2002
 DESCRIPTION: TOWNSHIP 16 SOUTH - RANGE 28 WEST
 Section 13: NW/4
 RECORDING DATA: Book 104, Page 20, Lane County Kansas records

LEASE #3
 LESSOR: Evalyn B. Ewing, Trustee of the Evalyn Bentley Ewing Trust
 LESSEE: J. Fred Hambright, Inc.
 LEASE DATE: June 20, 2002
 DESCRIPTION: TOWNSHIP 16 SOUTH - RANGE 28 WEST
 Section 13: SW/4
 RECORDING DATA: Book 104, Page 28, Lane County Kansas records

LEASE #4
 LESSOR: Stacy Lawrence and Angela Lawrence, his wife
 LESSEE: J. Fred Hambright, Inc.
 LEASE DATE: June 26, 2002
 DESCRIPTION: TOWNSHIP 16 SOUTH - RANGE 28 WEST
 Section 14: SE/4
 RECORDING DATA: Book 104, Page 37, Lane County Kansas records

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