

FOR KCC USE:

KANSAS CORPORATION COMMISSION

FORM C-1 12/02

EFFECTIVE DATE: _____

OIL & GAS CONSERVATION DIVISION

FORM MUST BE TYPED

EFFECTIVE DATE: 4-7-04

NOTICE OF INTENT TO DRILL

FORM MUST BE SIGNED

DISTRICT # 3

MUST BE APPROVED BY THE KCC FIVE DAYS PRIOR TO COMMENCING WELL

ALL BLANKS MUST BE FILLED

SGA? X Yes...No

Expected Spud Date ...4...6...2004... Apr 12 Spot 2 NE.- .SW.- .SW. Sec ..2.. Twp .23.. S, Rg .16.. X East West

OPERATOR: License #5150... Name:COLT ENERGY, INC... Address:P O BOX 388... City/State/Zip:IOLA, KANSAS .66749... Contact Person: ..DENNIS KERSHNER... Phone:620 365-3111...

.....1145..... feet from South line of Section4344..... feet from East line of Section IS SECTION _____ REGULAR X IRREGULAR? (NOTE: Locate well on the Section Plat on Reverse Side) County:COFFEY.....

CONTRACTOR: License #: ...5989... Name: KURT.FINNEY DRILLING.....

Lease Name: ..LIPSEY..... Well #: ..12..... Field Name: ..NEOSHO FALLS - LEROY..... Is this a Prorated/Spaced Field? yes .X.. no

Well Drilled For: Well Class: Type Equipment: .X. Oil ... Enh Rec ... Infield X Mud Rotary ... Gas ... Storage ~~Pool Ext.~~ Air Rotary ... OWWO ... Disposal ... Wildcat ... Cable ... Seismic; ... # of Holes ... Other

Target Formation(s): ..SQUIRREL..... Nearest lease or unit boundary:1000..... Ground Surface Elevation: feet MSL Water well within one-quarter mile: yes ..X. no Public water supply well within one mile: yes .X.. no

If OWWO: old well information as follows: Operator: Well Name: Comp. Date: Old Total Depth Directional, Deviated or Horizontal wellbore? yes .X.. no If yes, true vertical depth: Bottom Hole Location:

Depth to bottom of fresh water: ...25...100+ Depth to bottom of usable water: ..200+ Surface Pipe by Alternate: 1 ..X. 2 Length of Surface Pipe Planned to be set:40..... Length of Conductor pipe required:NONE..... Projected Total Depth:1020..... Formation at Total Depth:SQUIRREL..... Water Source for Drilling Operations: ... well ..X. farm pond other Will Cores Be Taken?: ..X. yes no If yes, proposed zone: ...SQUIRREL.....

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, 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:3-30-04..... Signature of Agent: Dennis Kershner Title...OFFICE MANAGER.....

FOR KCC USE: API # 15- 031-22006-00-00 Conductor pipe required NONE feet Minimum surface pipe required 40 feet per Alt. + (2) Approved by: RSP 4-2-04 This authorization expires: 10-3-04 (This authorization void if drilling not started within 6 months of effective date.) Spud date: Agent:

RECEIVED APR 02 2004 KCC WICHITA

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.

Mail to: Conservation Division, 200 Colorado Derby Building, 202 W. First St., Wichita, Kansas 67202-1286.

Handwritten notes: 23/16E

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 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 _____
 LEASE _____
 WELL NUMBER _____
 FIELD _____

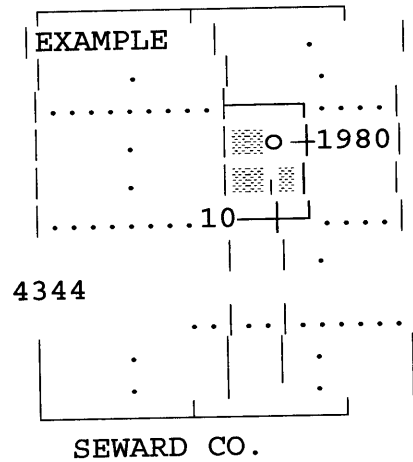
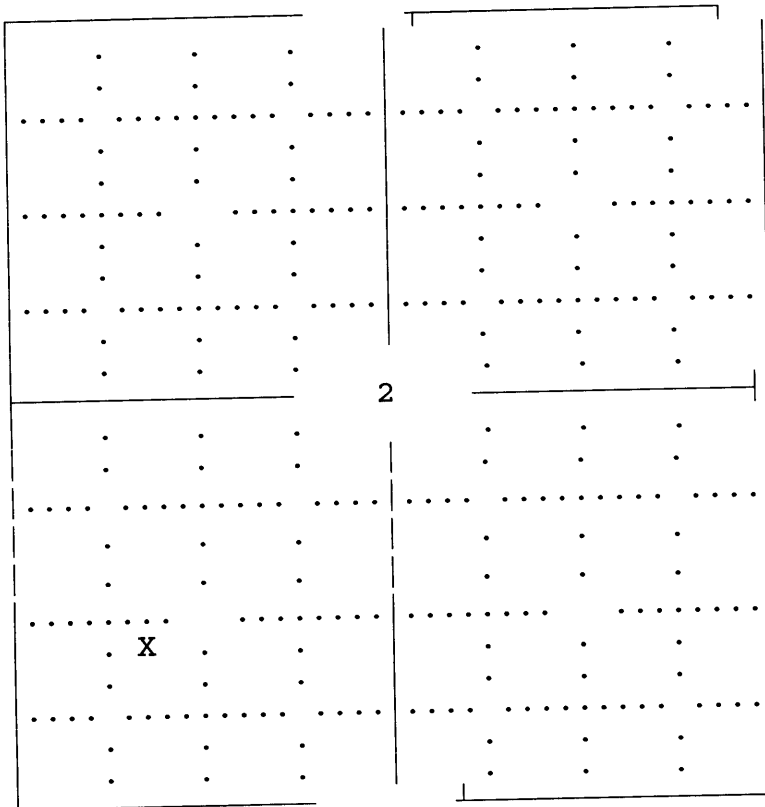
LOCATION OF WELL: COUNTY _____
 _____ feet from south/north line of section
 _____ feet from east/west line of section
 SECTION _____ TWP _____ RG _____

NUMBER OF ACRES ATTRIBUTABLE TO WELL _____
 QTR/QTR/QTR OF ACREAGE _____ - _____ - _____

IS SECTION X REGULAR or _____ IRREGULAR
 IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST
 CORNER BOUNDARY.

Section corner used: _____ NE _____ NW _____ SE _____ SW
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.)



1145

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
- 5) attached: (CO-7 for oil wells; CG-8 for gas wells).