

FOR KCC USE:

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

FORM C-1 12/02

EFFECTIVE DATE: _____

FORM MUST BE TYPED

EFFECTIVE DATE: 4-10-04

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 ... Spot N/2.NW.-.SW.-.SW. Sec ..2.. Twp .23.. S, Rg .16.. 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 Section
5169 feet from East line of Section
IS SECTION REGULAR IRREGULAR?
(NOTE: Locate well on the Section Plat on Reverse Side)
County: COFFEY
Lease Name: LIPSEY Well #: 13
Field Name: NEOSHO FALLS - LEROY
Is this a Prorated/Spaced Field? yes X no

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

Target Formation(s): SQUIRREL
Nearest lease or unit boundary: 165 - Irreg. Section

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

Ground Surface Elevation: feet MSL
Water well within one-quarter mile: yes X no
Public water supply well within one mile: yes X no
Depth to bottom of fresh water: 25.100ft
Depth to bottom of usable water: 200.4

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:

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.

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- 031-22013-00-00
Conductor pipe required NONE feet
Minimum surface pipe required 40 feet per Alt. 4(2)
Approved by: RJP 4-5-04
This authorization expires: 10-5-04
(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.

2 23 16 E

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 _____

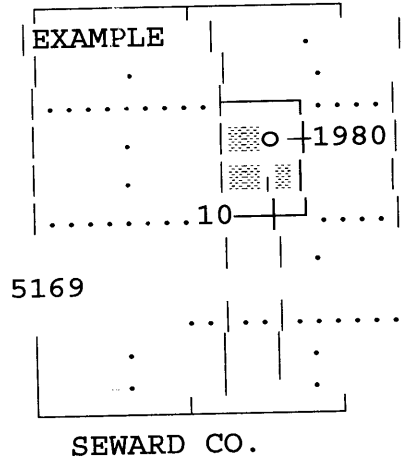
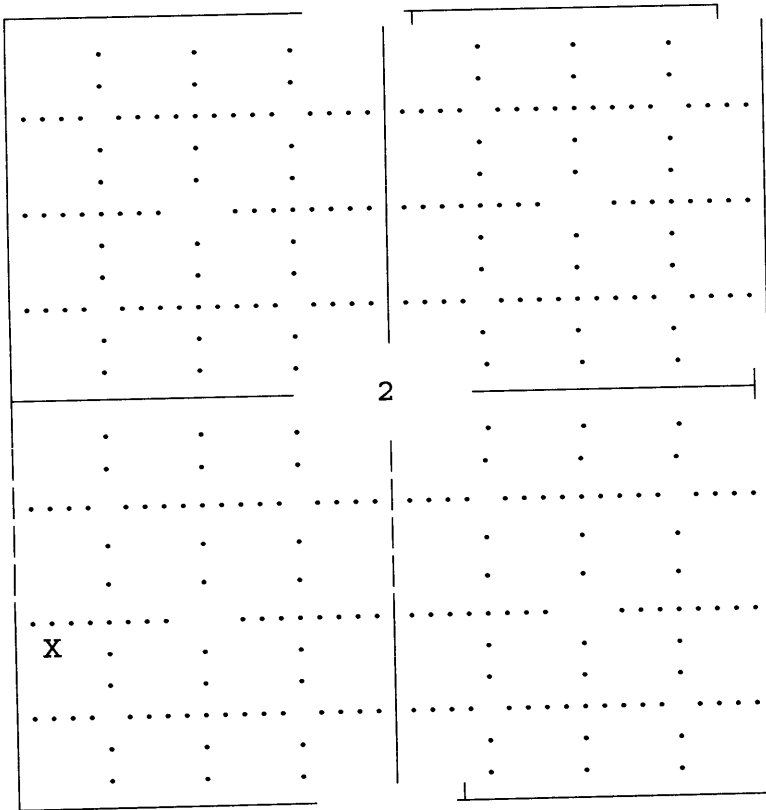
LOCATION OF WELL: COUNTY _____
 _____ feet from south/north line of section
 _____ feet from east/west line of section
 SECTION _____ TWP _____ RG _____

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