

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~~ 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? Yes No

Expected Spud Date ...4...6...2004... AP SW SE NE SW Sec 22 Twp 23 S, Rg 16 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

1480 feet from South line of Section 3220 feet from East line of Section IS SECTION REGULAR X IRREGULAR? (NOTE: Locate well on the Section Plat on Reverse Side) County: COFFEY Lease Name: LIPSEY Well #: 161 Field Name: NEOSHO FALLS - LEROY

CONTRACTOR: License #: 5989 Name: KURT FINNEY DRILLING

Is this a Prorated/Spaced Field? yes X no Target Formation(s): SQUIRREL Nearest lease or unit boundary: 560 Ground Surface Elevation: feet MSL

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

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: 25 100 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

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:

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 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: 3-31-04 Signature of Agent: Dennis Kershner Title: OFFICE MANAGER

FOR KCC USE: API # 15- 031-22009-00-00 Conductor pipe required NONE feet Minimum surface pipe required 40 feet per Alt. 1 2 Approved by: RJP 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: 2 23 10E

**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 \_\_\_\_\_

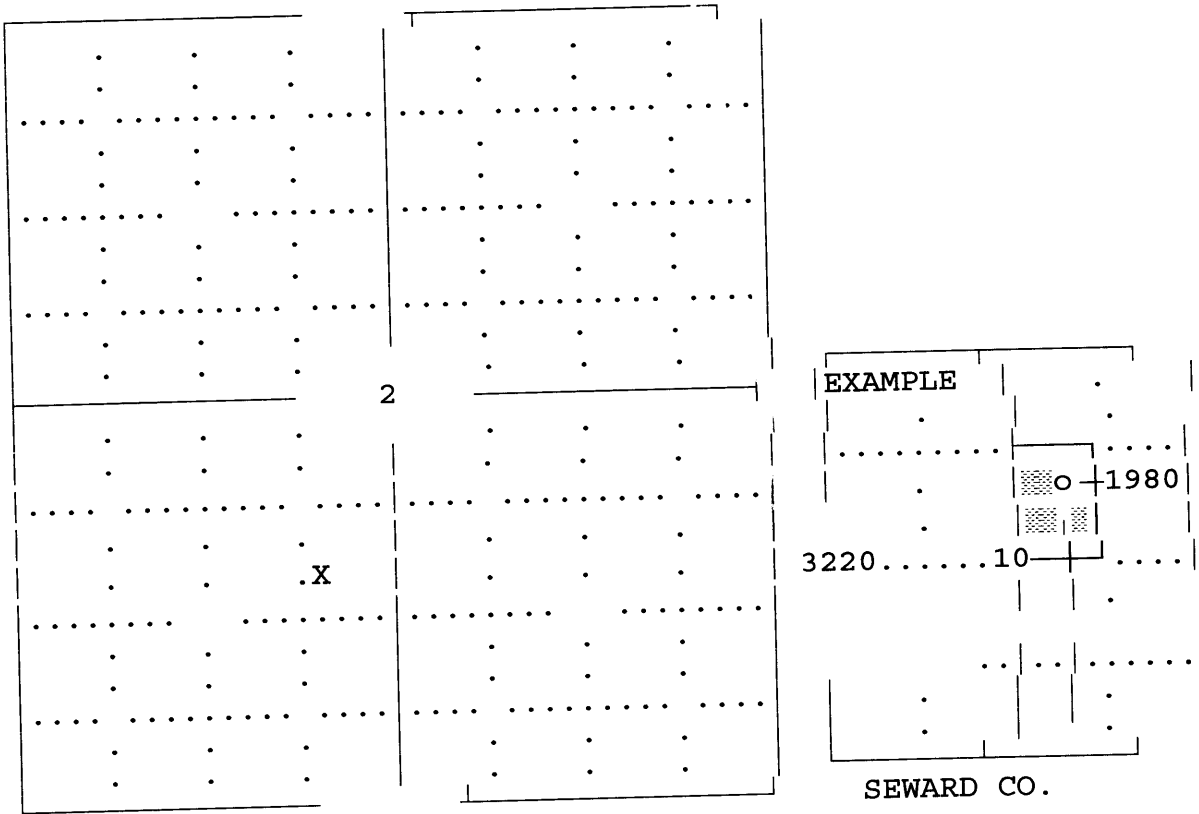
NUMBER OF ACRES ATTRIBUTABLE TO WELL \_\_\_\_\_  
 QTR/QTR/QTR OF ACREAGE \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

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.)



1480

**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).