

FOR KCC USE:

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

FORM C-1 12/02
FORM MUST BE TYPED
FORM MUST BE SIGNED
ALL BLANKS MUST BE FILLED

EFFECTIVE DATE:

4-10-04

EFFECTIVE DATE:

DISTRICT # 3

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

SGA? X Yes...No

Expected Spud Date ...4...6...2004...
month day year

Spot NW SW Sec ..2.. 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.

...1815... feet from South line of Section
...5169... 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 #: 19.
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: 165 (Area Sec.)
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 100f.
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.

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

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:

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

FOR KCC USE:
API # 15- 031-22014.0000
Conductor pipe required NONE feet
Minimum surface pipe required 40 feet per Alt.-1
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.

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 _____

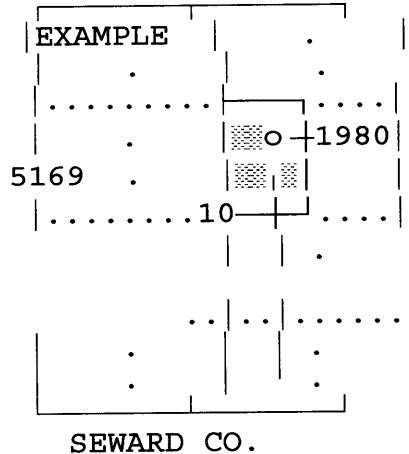
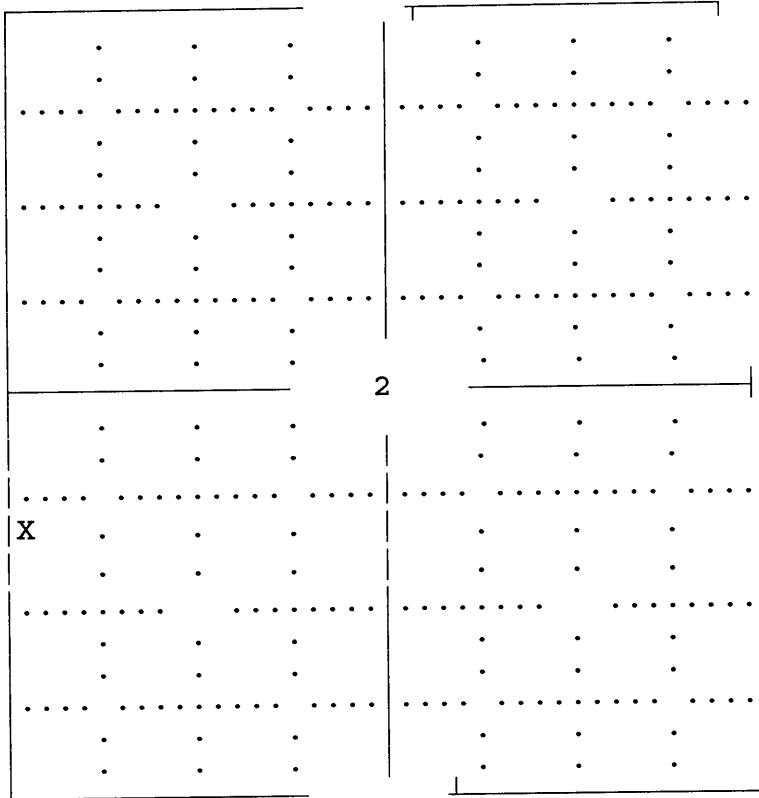
NUMBER OF ACRES ATTRIBUTABLE TO WELL _____
 QTR/QTR/QTR OF ACREAGE _____ - _____ - _____

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.)



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).