

First
CORRECTED

RECEIVED

For KCC Use: 7-19-04
Effective Date: 7-19-04
District # _____
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

KANSAS CORPORATION COMMISSION
December 2002
Form C-1
Form must be Typed
Form must be Signed
All blanks must be Filled

NOTICE OF INTENT TO DRILL

Must be approved by KCC five (5) days prior to commencing well.

Expected Spud Date 7 19 2004
month day year

* N/2 NE NE SE
Spot NE SE
SE NE SE NE
* 2105' 2470' feet from N / S Line of Section
416' 425' feet from E / W Line of Section
Is SECTION Regular Irregular?

OPERATOR: License# 30282 ✓
Name: Lobo Production, Inc.
Address: 6715 Road 22
City/State/Zip: Goodland, KS 67735
Contact Person: John Sanders
Phone: 785-899-5684

CONTRACTOR: License# Woofter Pump & Well #32946 33421 ✓
Name: Poe Servicing, Inc. #3152

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

If OWWO: old well information as follows:
Operator: _____
Well Name: _____
Original Completion Date: _____ Original Total Depth: _____

Directional, Deviated or Horizontal well? Yes No
If Yes, true vertical depth: _____
Bottom Hole Location: _____
KCC DKT #: JUL 14 2004

Original Permit - 2165' FNL 416' FEL
Change to: 2470' FSL 425' FEL

(Note: Locate well on the Section Plat on reverse side)
County: CHEYENNE
Lease Name: WALZ Well #: 3-3
Field Name: CHERRY CREEK NIOBRARA GAS AREA
Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Niobrara
Nearest Lease or unit boundary: 416' FEL 425'
Ground Surface Elevation: 3583' 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: 150'
Depth to bottom of usable water: 150'
Surface Pipe by Alternate: 1 2
Length of Surface Pipe Planned to be set: 200'
Length of Conductor Pipe required: none
Projected Total Depth: 1430'
Formation at Total Depth: NIOBRARA
Water Source for Drilling Operations: Well Farm Pond Other City Water
DWR Permit #: _____
(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No
If Yes, proposed zone: _____

AFFIDAVIT

* WAS: NESE SE 2S: N/2 NENE SE

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: 7/13/04 Signature of Operator or Agent: John Sanders Title: Owner/Operator

For KCC Use ONLY
API # 15 - 023-20581-00-00
Conductor pipe required NONE feet
Minimum surface pipe required 200' feet per Alt. X
Approved by: DPW 7-14-04 RJP 7.26.04
This authorization expires: 1-14-05
(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

3
5
422

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: Lobo Production, Inc. _____
Lease: WALZ _____
Well Number: 3-3 _____
Field: CHERRY CREEK NIOBRARA GAS AREA _____

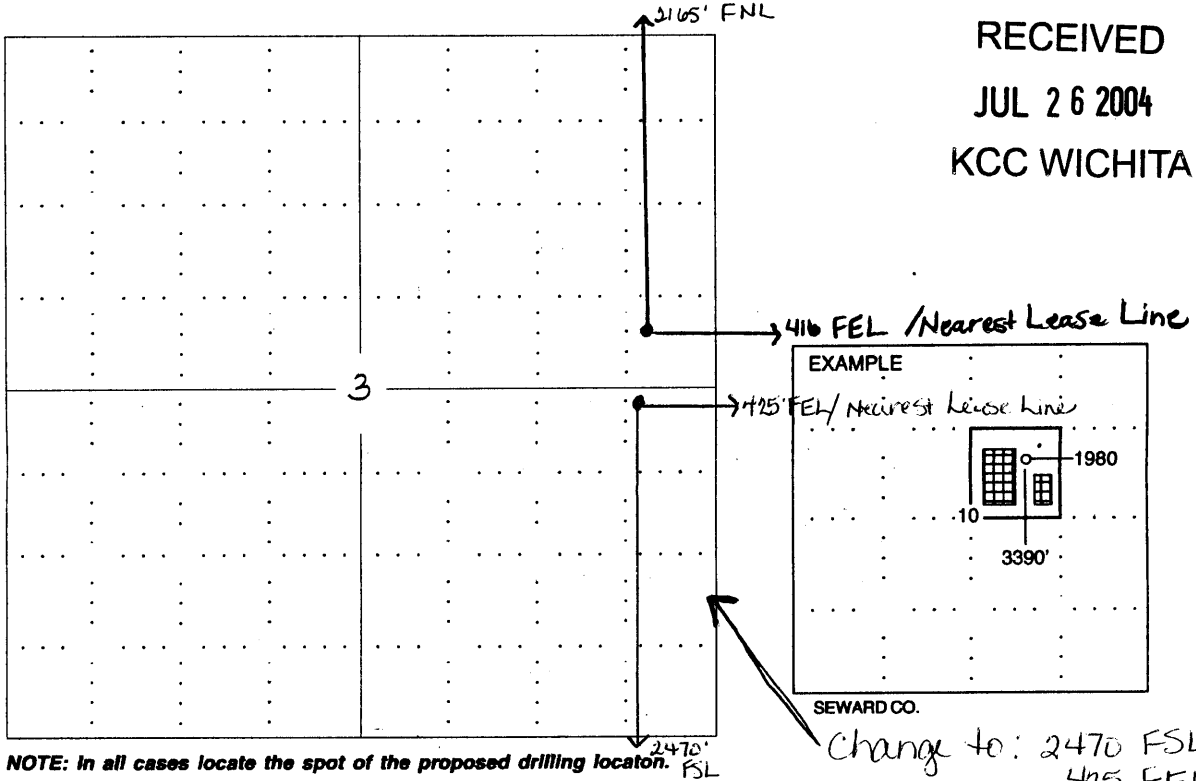
Location of Well: County: CHEYENNE
_____ 2165' 2470' feet from N / S Line of Section
_____ 416' 425' feet from E / W Line of Section
Sec. 3 Twp. 5 S. R. 42 East West

Number of Acres attributable to well: _____
QTR / QTR / QTR of acreage: ~~SE~~ - ~~SE~~ - ~~NE~~
NE NE SE

Is Section: 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.)*



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

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).