

CORRECTED

RECEIVED

APR 14 2004

For KCC Use: 4-20-04
Effective Date: 4
District #: 4
SGA? [X] Yes [] No

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

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

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

Expected Spud Date 4 19 2004
month day year

Spot NW SE SW Sec. 20 Twp. 4 S. R. 41
950' feet from N / S Line of Section
3432' 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

(Note: Locate well on the Section Plat on reverse side)
County: CHEYENNE
Lease Name: ADAMS-MCATEE Well #: 3-20
Field Name: CHERRY CREEK NIOBRARA GAS AREA

CONTRACTOR: License# Schaal Drilling # 33229
Name: Poe Servicing, Inc. # 3152

Is this a Prorated / Spaced Field? [] Yes [X] No
Target Formation(s): Niobrara

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

Nearest Lease or unit boundary: 330'
Ground Surface Elevation: 3417' 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:
Original Completion Date: Original Total Depth:

Depth to bottom of fresh water: 70' 50'
Depth to bottom of usable water: 100' 30'

Surface Pipe by Alternate: [X] 1 [] 2
Length of Surface Pipe Planned to be set: 120' 150'

Length of Conductor Pipe required: none
Projected Total Depth: 1360'

Directional, Deviated or Horizontal wellbore? [] Yes [X] No
If Yes, true vertical depth:
Bottom Hole Location:
KCC DKT #:

Formation at Total Depth:
Water Source for Drilling Operations: [] Well [] Farm Pond Other City Water

DWR Permit #:
(Note: Apply for Permit with DWR [])

Will Cores be taken? [] Yes [X] No
If Yes, proposed zone:

PER KCC DIST 4 ALT-1 DEPTH = 100'

AFFIDAVIT

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: 4/13/04 Signature of Operator or Agent: John Sanders Title: Owner/Operator

For KCC Use ONLY
API # 15 - 023-20557-00-00
Conductor pipe required NONE feet
Minimum surface pipe required 100 feet per Alt. 1
Approved by: RJP 4-15-04 / RJP 7-27-04
This authorization expires: 10-15-04
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:

20
11
4/13