

First/Second
CORRECTED

For KCC Use:
Effective Date: 7-19-04
District #: 4
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form C-1
December 2002
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 22 2004
month day year

Spot SW SE NE Sec. 2 Twp. 5 S. R. 42 East West
2482' 2510' feet from N / S Line of Section
803' 830' feet from E / W Line of Section

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

Is SECTION Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: CHEYENNE
Lease Name: RUEB FARMS Well #: 4-2
Field Name: CHERRY CREEK NIOBRARA GAS AREA

CONTRACTOR: License# Woofter Pump & Well #32940 33421
Name: Poe Servicing, Inc. #3152

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Niobrara

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

Nearest Lease or unit boundary: 803 FEL 830

Ground Surface Elevation: 3562' 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: 450' 130'

Depth to bottom of usable water: 450' 130'

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 180'

Length of Conductor Pipe required: none

Projected Total Depth: 1400'

Formation at Total Depth:

If OWWO: old well information as follows:

Operator:

Well Name:

Original Completion Date: Original Total Depth:

Directional, Deviated or Cased Hole? Yes No

If Yes, true vertical depth:

Bottom Hole Location: JUL 14 2004

KCC DKT #:

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:

Kind 1 Permit:
482' FNL 803 FEL
510' FNL 830 FEL

CONSERVATION DIVISION
WICHITA, KS

AFFIDAVIT

* WAS: 2482' FNL, 803' FEL
IS: 2510' FNL, 830' FEL

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:

All - 1 Depth Per Dist 4 = 180'

KANSAS CORPORATION COMMISSION

JUL 26 2004

CONSERVATION DIVISION
WICHITA, KS

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 - 023-20580-00-00
Conductor pipe required NONE feet
Minimum surface pipe required 180 feet per Alt. 1 X RSP
Approved by: DPW 7-14-04 TRJR 726-04 19-3-04
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

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42w