

For KCC Use: 1-31-05  
Effective Date: \_\_\_\_\_  
District # \_\_\_\_\_  
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 2/5/2005  
month day year **AP**

OPERATOR: License# 31980 (11-30-05)  
Name: Lotus Operating Company, LLC  
Address: 100 S. Main, Ste 420  
City/State/Zip: Wichita, KS 67202  
Contact Person: Tim Hellman  
Phone: 316-262-1077

CONTRACTOR: License# 33436 (7-30-05)  
Name: Forrest Energy LLC

|  |                                   |  |
|--|-----------------------------------|--|
| Well Drilled For:                            | Well Class:                       | Type Equipment:                                |
| <input checked="" type="checkbox"/> Oil      | <input type="checkbox"/> Enh Rec  | <input checked="" type="checkbox"/> Mud Rotary |
| <input type="checkbox"/> Gas                 | <input type="checkbox"/> Storage  | <input type="checkbox"/> Air Rotary            |
| <input type="checkbox"/> OWWO                | <input type="checkbox"/> Disposal | <input checked="" type="checkbox"/> Wildcat    |
| <input type="checkbox"/> Seismic; # of Holes | <input type="checkbox"/> Other    | <input type="checkbox"/> Cable                 |
| <input type="checkbox"/> Other               |                                   |  |

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

Directional, Deviated or Horizontal wellbore?  Yes  No

If Yes, true vertical depth: \_\_\_\_\_

Bottom Hole Location: \_\_\_\_\_

KCC DKT #: \_\_\_\_\_

Spot SW NE SE Sec. 9 Twp. 29 S. R. 15  
 East  
 West  
1630 feet from  N /  S Line of Section  
1030 feet from  E /  W Line of Section

Is SECTION  Regular  Irregular?

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

County: Pratt

Lease Name: Smith Well #: 1

Field Name: Wildcat

Is this a Prorated / Spaced Field?  Yes  No

Target Formation(s): Arbuckle

Nearest Lease or unit boundary: 1030

Ground Surface Elevation: 1968 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: 180' PERMIAN

Surface Pipe by Alternate:  1  2

Length of Surface Pipe Planned to be set: 250

Length of Conductor Pipe required: N/A NONE

Projected Total Depth: 4950

Formation at Total Depth: Arbuckle

Water Source for Drilling Operations:  Well  Farm Pond Other XXXX

DWR Permit #: \_\_\_\_\_

(Note: Apply for Permit with DWR )

Will Cores be taken?  Yes  No

If Yes, proposed zone: \_\_\_\_\_

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: 1/21/2005 Signature of Operator or Agent: [Signature] Title: Managing Member

RECEIVED  
KANSAS CORPORATION COMMISSION

JAN 24 2005

CONSERVATION DIVISION  
WICHITA, KS

For KCC Use ONLY

API # 15 - 151-22211-00-00

Conductor pipe required NONE feet

Minimum surface pipe required 200 feet per Alt. 1

Approved by: RSP 1-26-05

This authorization expires: 7-26-05

(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

9  
29  
15W

**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: Lotus Operating Company, LLC  
 Lease: Smith  
 Well Number: 1  
 Field: Wildcat

Location of Well: County: Pratt  
 1630 \_\_\_\_\_ feet from  N /  S Line of Section  
 1030 \_\_\_\_\_ feet from  E /  W Line of Section  
 Sec. 9 Twp. 29 S. R. 15  East  West

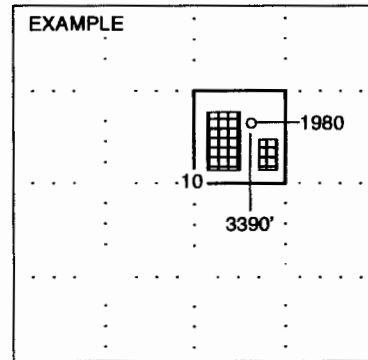
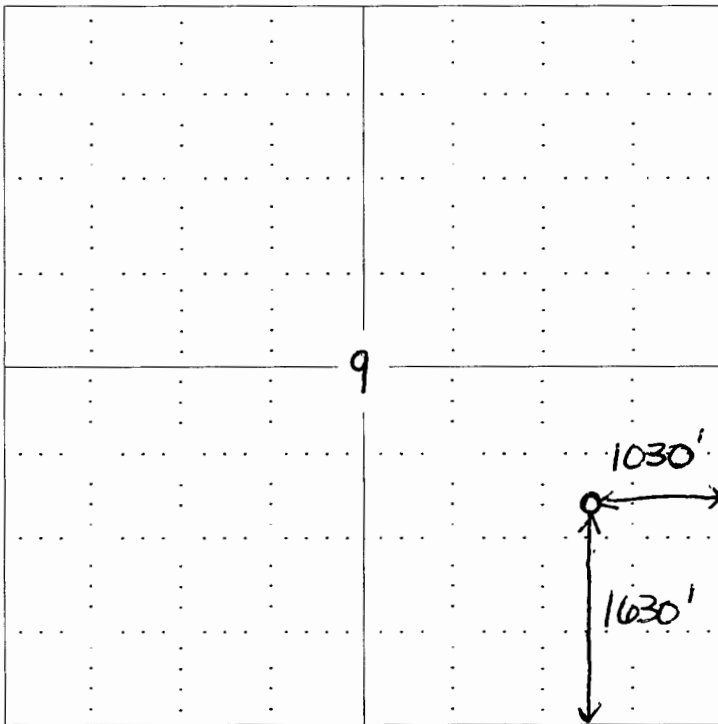
Number of Acres attributable to well: 10  
 QTR / QTR / QTR of acreage: SW - NE - SE

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.)*



SEWARD CO.

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

**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).

# KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR  
BRIAN J. MOLINE, CHAIR  
ROBERT E. KREHBIEL, COMMISSIONER  
MICHAEL C. MOFFET, COMMISSIONER

January 26, 2005

Mr. Tim Hellman  
Lotus Operating Company, LLC  
100 S. Main Ste 420  
Wichita, KS 67202

Re: Drilling Pit Application  
Smith Lease Well No. 1  
SE/4 Sec. 09-29S-15W  
Pratt County, Kansas

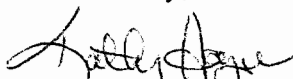
Dear Mr. Hellman:

District staff has inspected the location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has instructed that no earthen pits are to be used at the location. Steel pits are to be used. Please inform the Commission in writing as to which disposal well you will utilize to dispose of the contents in the steel pits and the amount of fluid which will be disposed.

**Should a haul-off pit be necessary, please complete the enclosed CDP-1.** This location will have to be inspected prior to approval of the haul-off pit application.

Sincerely,



Kathy Haynes  
Environmental Protection and Remediation Department

Cc: S Durrant