

PERMIT EXTENSION

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

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

For KCC Use:
Effective Date: 1-31-05
District #: 1
SGA? Yes No

Expected Spud Date: 2/5/2005
month day year

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 type="checkbox"/> Infield
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.
<input type="checkbox"/> OAWO	<input type="checkbox"/> Disposal	<input checked="" type="checkbox"/> Wildcat
<input type="checkbox"/> Seismic	# of Holes	<input type="checkbox"/> Other
<input type="checkbox"/> Other		<input checked="" type="checkbox"/> Mud Rotary
		<input type="checkbox"/> Air Rotary
		<input type="checkbox"/> Cable

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 #: _____

*PERMIT EXTENSION REQUEST Received 7-20-2005
RJP/KCC

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

For KCC Use ONLY
API # 15: 151-22211-00-00
Conductor pipe required: NONE feet
Minimum surface pipe required: 200 feet per AR 1
Approved by: RSP 1-26-05 / RSP 7-21-05
This authorization expires: 7-26-05 / 1-26-2006
(The authorization void if drilling not started within 6 months of effective date.)
Spud date: _____ Agent: _____

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: 1906 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 PERMAN
Surface Pipe by Alternate: 1 2
Length of Surface Pipe Planned to be set: 250
Length of Conductor Pipe required: 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

RECEIVED
KANSAS CORPORATION COMMISSION
JAN 24 2005

Remember to:

- File Drill P4 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 production 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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15W