

PERMIT EXTENSION Corrected Intent

For KCC Use:
 Effective Date: 1-31-05
 District: 1
 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

Spot: NE SE SW SE
 SW NE SE East
 Sec. 9 Twp. 29 S. R. 15 West
 1680 620' feet from N S Line of Section
 1380 1450' feet from E W Line of Section
 SECTION: Regular Irregular

OPERATOR: License# 31560 (11-30-05)
 Name: Lotus Operating Company, LLC
 Address: 100 S. Main, Ste 420
Wichita, KS 67202
 City/State/Zip:
 Contact Person: Tim Heilman
 Phone: 316-262-1077

(Note: Locate well on the Section Plat or reverse side)
 County: Pratt
 Lease Name: Smith Well # 1
 Field Name: Wildcat

CONTRACTOR: License# 33436 (5-29-05)
 Name: Forest Energy LLC - DUKE Drilling, Inc

Is this a Proposed / Spaced Field? Yes No
 Target Formation(s): Artuckle
 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

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 type="checkbox"/> Cable
<input type="checkbox"/> Seismic: _____ # of holes	<input type="checkbox"/> Other	
<input type="checkbox"/> Other		

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: Artuckle
 Water Source for Drilling Operations:
 Well Farm Pond Other XXXX
 DWR Permit #: _____
 (Note: Apply for Permit with DWR)

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 #: _____

Will Cores be taken? Yes No

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

AFFIDAVIT
 I WAS: Forest Energy LLC
IS: Duke Drilling
 RECEIVED
 KANSAS CORPORATION COMMISSION
X WAS: 1630' FSL, 1030' FSL, SWNESE
IS: 620' FSL, 1450' FSL, NESESW SE
 JAN 24 2005

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 of. 800.
 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 lengths 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 or 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 if 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 # 151-22211-00-00
 Conductor pipe required: NONE feet
 Minimum surface pipe required: 200 feet per Alt. 1
 Approved by: RJP 1-26-05 / RSP 1-21-05 / RJP 1-26-05
 This authorization expires: 7-26-05 / 1-26-2006
(This authorization void if drilling not started within 6 months of effective date.)
 Spud date: _____ Agent: _____

Remember to:

- File Drill Plat Application (form CDP-1) with Intent to Drill;
- File Completion Form ACC-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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29
15W