

API #
CORRECTED
10-29-07

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

For KCC Use:
Effective Date: 10-31-07
District # _____
SGA? Yes No

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

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

Expected Spud Date Nov 29 2007
month day year

Spot _____ East
NE SW SE Sec. 24 Twp. 29 S. R. 16 West
1260 feet from N / S Line of Section
1770 feet from E / W Line of Section

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

Is SECTION Regular Irregular?
(Note: Locate well on the Section Plat on reverse side)
County: Kiowa
Lease Name: Piester Well #: 2
Field Name: Wildcat

CONTRACTOR: License# 5929
Name: Duke Drilg Co. Inc.

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Lansing, Simpson
Nearest Lease or unit boundary: 1260

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

Ground Surface Elevation: est 2015 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: 180
Depth to bottom of usable water: 180
Surface Pipe by Alternate: 1 2
Length of Surface Pipe Planned to be set: 250+
Length of Conductor Pipe required: NA
Projected Total Depth: 5100
Formation at Total Depth: Arbuckle
Water Source for Drilling Operations:
 Well Farm Pond Other XXXX
DWR Permit #: _____

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 #: _____

(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: 10/15/2007 Signature of Operator or Agent: [Signature] Title: Managing Member

For KCC Use ONLY
API # 15 - 097-21618-0000
Conductor pipe required: None feet
Minimum surface pipe required: 200 feet per Alt. XO 2
Approved by: [Signature] / [Signature]
This authorization expires: 4-26-08
(This authorization void if drilling not started within 6 months of approval 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: _____
RECEIVED
KANSAS CORPORATION COMMISSION

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

OCT 16 2007
CONSERVATION DIVISION
24 29 10W

* WAS: API # 15-095-22124-0000
IS: API # 15-097-21618-0000

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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.

X
API No. 15 - 097-21018-0000
Operator: Lotus Operating Co. LLC
Lease: Piester
Well Number: 2
Field: Wildcat

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

Location of Well: County: Kiowa
1260 feet from N / S Line of Section
1770 feet from E / W Line of Section
Sec. 24 Twp. 29 S. R. 16 East West

Is Section: Regular or Irregular

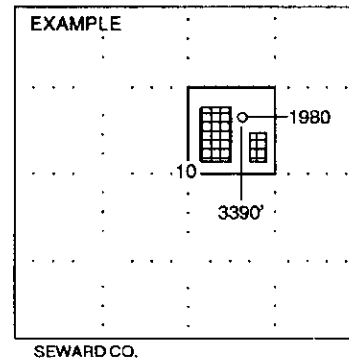
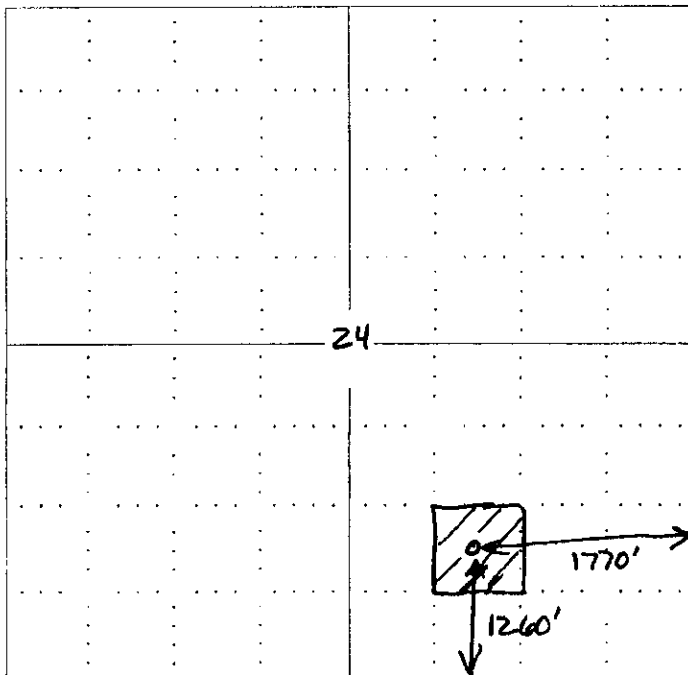
If Section is Irregular, locate well from nearest corner boundary.

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.)



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

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
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT

Form CDP-1
April 2004
Form must be Typed

Submit in Duplicate

APR 11
CORRECTED
10-29-07

Operator Name: Lotus Operating Co. LLC		License Number: 31980	
Operator Address: 100 S. Main, Ste 420 Wichita KS 67202			
Contact Person: Tim Hellman		Phone Number: (316) 262 - 1077	
Lease Name & Well No.: 2 Piester		Pit Location (QQQQ): NE SW SE _____ Sec. 24 Twp. 29S R. 15 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 1260 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 1770 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Kiowa _____ County	
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit (If WP Supply API No. or Year Drilled)		Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 4800 _____ (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l (For Emergency Pits and Settling Pits only)	
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
How is the pit lined if a plastic liner is not used? Bentonite and drilling solids seal the pits			
Pit dimensions (all but working pits): 100 Length (feet) 100 Width (feet) XX N/A: Steel Pits Depth from ground level to deepest point: 4' (feet)			
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.	
		RECEIVED KANSAS CORPORATION COMMISSION OCT 16 2007 CONSERVATION DIVISION WICHITA, KS	
Distance to nearest water well within one-mile of pit 3995 feet Depth of water well 90 feet		Depth to shallowest fresh water 55 feet. Source of information: _____ measured _____ well owner _____ electric log <input checked="" type="checkbox"/> KDWR	
Emergency, Settling and Burn Pits ONLY: Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No		Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: Chemical mud Number of working pits to be utilized: None Steel Abandonment procedure: Pits are allowed to dry completely and backfilled when conditions allow Drill pits must be closed within 365 days of spud date.	
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.			
10/15/2007 Date		 Signature of Applicant or Agent	
KCC OFFICE USE ONLY			
Date Received: 10/16/07 Permit Number: _____ Permit Date: 10/26/07 Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			

15-DPT-21618-0000

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202