

OWWO

For KCC Use: 4908
Effective Date: _____
District # _____
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form C-1
October 2007
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: 4/10/08
month day year

OPERATOR: License# 31980 ✓
Name: Lotus Operating Co. LLC
Address 1: 100 S. Main, Ste 420
Address 2: _____
City: Wichita State: KS Zip: 67202 + _____
Contact Person: Tim Hellman
Phone: 316-262-1077
CONTRACTOR: License# 5929
Name: Duke Drlg Co. Inc.

Spot Description: C-SW-NE
C - SW - NE Sec. 25 Twp. 29 S. R. 16 E W
(0000) 1,980 feet from N / S Line of Section
1,980 feet from E / W Line of Section

Is SECTION: Regular Irregular?
(Note: Locate well on the Section Plat on reverse side)

County: Kiowa
Lease Name: Piester Well #: 1
Field Name: Wildcat

Is this a Prorated / Spaced Field? Yes No
Target Formation(\$): Arbuckle
Nearest Lease or unit boundary line (in footage): 660'

Ground Surface Elevation: 2001 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: I II

Length of Surface Pipe Planned to be set: 262' w/ 200 sx
Length of Conductor Pipe (if any): _____
Projected Total Depth: 5600
Formation at Total Depth: Arbuckle

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

Will Cores be taken? Yes No
If Yes, proposed zone: _____

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

If OWWO: old well information as follows:
Operator: Graves Drlg Co
Well Name: #1 Piester
Original Completion Date: 10-17-87 Original Total Depth: 5030

Directional, Deviated or Horizontal wellbore? Yes No
If Yes, true vertical depth: _____
Bottom Hole Location: _____
KCC DKT #: _____

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:

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KANSAS CORPORATION COMMISSION
MAR 24 2008
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 correct to the best of my knowledge and belief.
Date: 3/22/08 Signature of Operator or Agent: _____ Title: Managing Member

For KCC Use ONLY
API # 15 - 097-21252-00-01
Conductor pipe required None feet
Minimum surface pipe required 262 feet per ALT. I II
Approved by: [Signature]
This authorization expires: 4-4-09
(This authorization void if drilling not started within 12 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 (within 60 days);
- 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 Date: _____
Signature of Operator or Agent: _____

25
29
16
 E
 W

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 - 097-21252-00-01
 Operator: Lotus Operating Co. LLC
 Lease: Plester
 Well Number: 1
 Field: Wildcat

Location of Well: County: Kiowa
1,980 feet from N / S Line of Section
1,980 feet from E / W Line of Section
 Sec. 25 Twp. 29 S. R. 16 E W

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

Is Section: Regular or Irregular

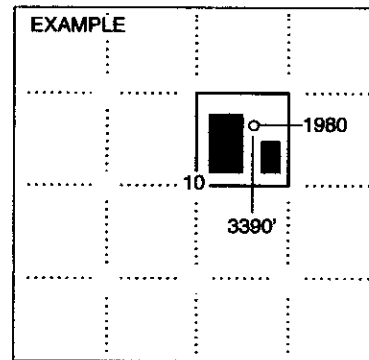
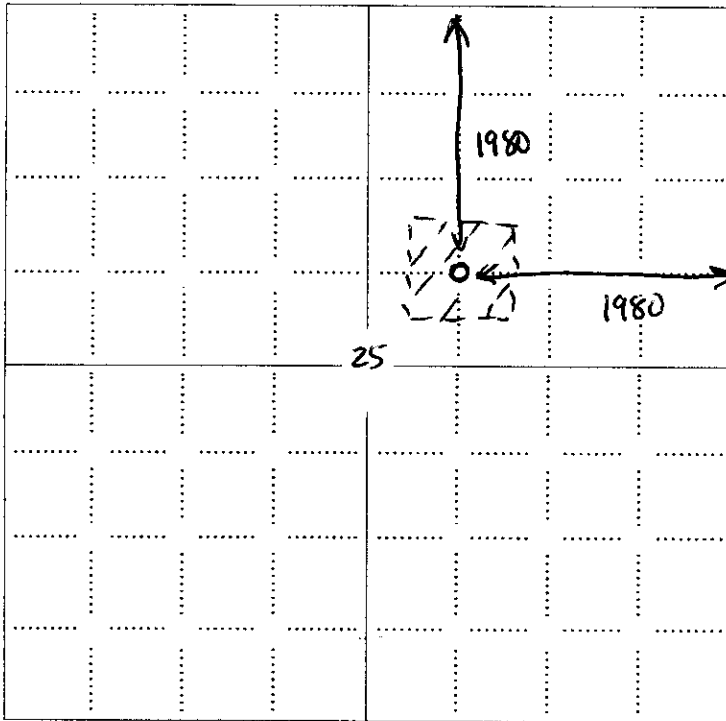
If Section is Irregular, locate well from nearest corner boundary.

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 south / north and east / west outside section lines.
3. The distance to the nearest lease or unit boundary line (in footage).
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

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.: Piester 1		Pit Location (QQQQ): C SW NE
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 <i>(If WP Supply API No. or Year Drilled)</i>		Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 4,500 (bbls)
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Sec. 25 Twp. 29 R. 16 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 1,980 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 1,980 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Kiowa County
Is the bottom below ground level? <input type="checkbox"/> Yes <input type="checkbox"/> No		Chloride concentration: _____ mg/l <i>(For Emergency Pits and Settling Pits only)</i>
Artificial Liner? <input type="checkbox"/> Yes <input type="checkbox"/> No		How is the pit lined if a plastic liner is not used?
Pit dimensions (all but working pits): 100 Length (feet) 100 Width (feet) <input checked="" type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: 4 (feet) <input type="checkbox"/> No Pit		
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.
Distance to nearest water well within one-mile of pit N/A feet Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input 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 Number of working pits to be utilized: 0 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.		
3/22/08 Date	 Signature of Applicant or Agent	RECEIVED KANSAS CORPORATION COMMISSION MAR 24 2008 CONSERVATION DIVISION WICHITA, KS

15-097-21252-00-01

KCC OFFICE USE ONLY		Steel Pit <input type="checkbox"/>	RFAC <input type="checkbox"/>	RFAS <input checked="" type="checkbox"/>
Date Received: 3/24/08	Permit Number: _____	Permit Date: 4/4/08	Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

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



Kathleen Sebelius, Governor
Thomas E. Wright, Chairman
Michael C. Moffet, Commissioner
Joseph F. Harkins, Commissioner

April 4, 2008

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

RE: Drilling Pit Application
Piester Lease Well No. 1
NE/4 Sec. 25-29S-16W
Kiowa County, Kansas

Dear Mr. Hellman:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again as soon as practical after drilling operations have ceased.

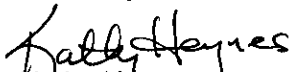
If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 when the fluids have been removed. Please file form CDP-5 (August 2004), Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site: www.kcc.state.ks.us/conservation/forms.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill.

If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,



Kathy Haynes

Department of Environmental Protection and Remediation

cc: File

STATE OF KANSAS
NATURAL GAS CORPORATION COMMISSION
100 Colorado Derby Building
Wichita, Kansas 67202

WELL PLUGGING RECORD
K.A.R.-82-3-117

TYPE OR PRINT
NOTICE: Fill out completely
and return to Cons. Div.
office within 30 days.

API NUMBER 15-097-21,252-0000
LEASE NAME Piester
WELL NUMBER 1
3300 Ft. from S Section Line
1980 Ft. from E Section Line
SEC. 25 TWP. 29 RGE. 16 ~~X(X)X(X)~~ (W)
COUNTY Kiowa
Date Well Completed 10-19-87
Plugging Commenced 10-19-87
Plugging Completed 10-19-87 (date)

LEASE OPERATOR Graves Drilling Co., Inc.
ADDRESS 151 N. Main, Suite 850, Wichita, KS 67202
PHONE# (316) 265-7233 OPERATORS LICENSE NO. 5428

Character of Well D & A
(Oil, Gas, D&A, SWD, Input, Water Supply Well)

The plugging proposal was approved on 10-17-87
by Duane Rankin (KCC District Agent's Name).
Is ACO-1 filled? will be by operator If not, is well log attached? yes

Producing Formation _____ Depth to Top _____ Bottom _____ T.D. 5030
Show depth and thickness of all water, oil and gas formations.

OIL, GAS OR WATER RECORDS

CASING RECORD

Formation	Content	From	To	Size	Put In	Pulled out

Describe in detail the manner in which the well was plugged, indicating where the mud fluid was placed and the method or methods used in introducing it into the hole. If cement or other plugs were used, state the character of same and depth placed, from ___ feet to ___ feet each set.
Plug #1 set at 930' with 50 sacks cement through drill pipe
Plug #2 set at 750' with 40 sacks cement through drill pipe
Plug #3 set at 310' with 50 sacks cement through drill pipe
Bridge Plug set at 40' with 10 sacks cement; 15 sacks in rat hole
(If additional description is necessary, use BACK of this form.)

Name of Plugging Contractor Duke Drilling Co., Inc. License No. 5929
Address PO Box 823, Great Bend, KS 67530
STATE OF KANSAS COUNTY OF BARTON, ss.

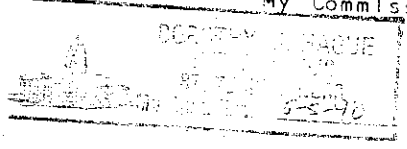
John Armbruster (Employee of Operator) or (Operator) of above-described well, being first duly sworn on oath, says: That I have knowledge of the facts, statements, and matters herein contained and the log of the above-described well as filed that the same are true and correct, so help me God.

(Signature) John Armbruster
(Address) PO Box 823, Great Bend, KS 67530

SUBSCRIBED AND SWORN TO before me this 28 day of October, 1987

Alvin M. Hagui
Notary Public

My Commission Expires: 6-29-90



NOV 2 1987