

FOR KCC USE:

15-051-24983-0000
FORM C-1 7/91

EFFECTIVE DATE: 12-13-97
DISTRICT # 4
SGA? Yes X No

State of Kansas
NOTICE OF INTENTION TO DRILL

FORM MUST BE TYPED
FORM MUST BE SIGNED
ALL BLANKS MUST BE FILLED

Must be approved by the K.C.C. five (5) days prior to commencing well.

Expected Spud Date January 20, 1998
month day year

Spot NW NE NE. Sec 5. Twp 13. S, Rg 19W East West

OPERATOR: License # 31980
Name: Lotus Operating Co. L.L.C.
Address: 107 N. Market, Suite 416
City/State/Zip: Wichita, Kansas 67202
Contact Person: Timothy D. Hellman
Phone: 316-262-1077

..... 330 feet from ~~South~~ North line of Section
..... 990 feet from East / ~~West~~ line of Section
IS SECTION XX REGULAR _____ IRREGULAR?

CONTRACTOR: License #: 4958
Name: Mallard JV, Inc

(NOTE: Locate well on the Section Plat on Reverse Side)

County: Ellis
Lease Name: Slaughter Well #: 1
Field Name: Wildcat

Well Drilled For: Well Class: Type Equipment:

Oil ... Enh Rec ... Infield Mud Rotary
 Gas ... Storage ... Pool Ext. ... Air Rotary
 OWO ... Disposal Wildcat ... Cable
 Seismic; ... # of Holes ... Other
 Other

Is this a Prorated/Spaced Field? ... yes no
Target Formation(s): LKC, Arbuckle
Nearest lease or unit boundary: 330'
Ground Surface Elevation: est 2150 feet MSL

If OWWO: old well information as follows:
Operator:
Well Name:
Comp. Date: Old Total Depth

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: 700'

Surface Pipe by Alternate: ... 1 2
Length of Surface Pipe Planned to be set: 200'
Length of Conductor pipe required: NA
Projected Total Depth: 3850'

Formation at Total Depth: Arbuckle
Water Source for Drilling Operations:
... well ... farm pond other

Directional, Deviated or Horizontal wellbore? ... yes no

Will Cores Be Taken?: ... yes no

If yes, true vertical depth:
Bottom Hole Location:

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. 55-1012 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. 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: 12-4-97 Signature of Operator or Agent: Timothy D. Hellman Title: Managing Member

FOR KCC USE:
API # 15- <u>051-249830000</u>
Conductor pipe required <u>NONE</u> feet
Minimum surface pipe required <u>200</u> feet per Alt. <input checked="" type="checkbox"/> (2)
Approved by: <u>JK 12-8-97</u>
This authorization expires: <u>6-8-98</u>
(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.

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

5
13
19W

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 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 Co.L.L.C.
 LEASE Slaughter
 WELL NUMBER #1
 FIELD Wildcat

LOCATION OF WELL: COUNTY Ellis
330' feet from ~~south~~/north line of section
990' feet from east/~~west~~ line of section
 SECTION 5 TWP 13s RG 19w

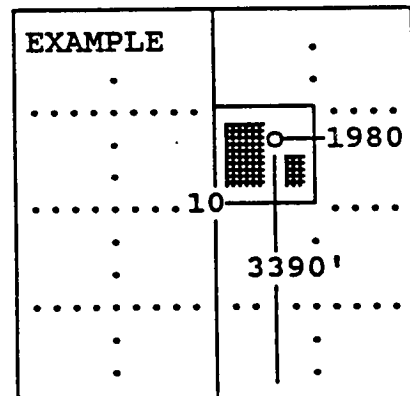
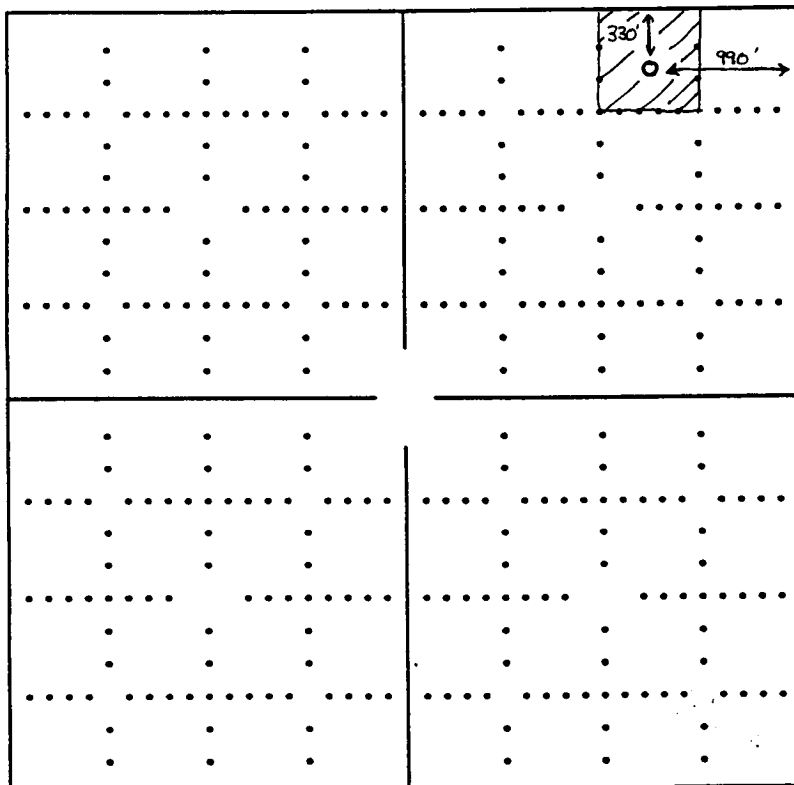
NUMBER OF ACRES ATTRIBUTABLE TO WELL 10
 QTR/QTR/QTR OF ACREAGE NW - NE - NE

IS SECTION XXX REGULAR or IRREGULAR
IF SECTION IS IRREGULAR, LOCATE WELL FROM NEAREST CORNER BOUNDARY.

Section corner used xxx 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.

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; and
- 3) the distance to the nearest lease or unit boundary line.