NOTICE OF INTENT TO DRILL

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

KANSAS CORPORATION COMMISSION
Oil & Gas Conservation Division

Expected Spud Date: 2/2/2005

OPERATOR: License No. 31980
Name: Lotus Operating Company, LLC
Address: 100 S. Main, Ste. 420, Wichita, KS 67202
City/State/Zip: Wichita, KS 67202
Person/Certifier: Tim Hallman
Phone: 316-262-1077

CONTRACTOR: License No. 5629
Name: Duke Drill Co., Inc.

Well Spuded For: West Class: Type Equipment:
Gas Storage Mud Rotary
GW Disposal Annular
Ocean: # of Hoses: Other

IF GW: old well information as follows:
Operator:
Well Name:
Original Completion Date:
Original Total Depth:
Directional, Deviated or Horizontal well?: 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. 55-51 seq.

Affidavit:
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 in each drilling rig.
3. The minimum amount of surface pipe as specified below shall be set by circulating cement to the top; in an underground pipe, surface pipe shall be set through all unmined 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 bottom hole shall be notified before the well is either plugged or production is being considered.
6. If an alternate II or Completion, production pipe shall be cemented from below any usable water surface within two days of spudding.

Under penalties of perjury, I declare that the statements made herein are true and to the best of my knowledge and belief.

Signature of Operator or Agent:
Date:
Managing Member:

Mail to: KCC - Conservation Division, 130 S. Market - Room 327, Wichita, Kansas 67202

For KCC Use Only
API # 15 - 007-273 74-00-00
Conductor pipe required: None
Minumum surface pipe required: 200 ft. per di. #
Approved by: RGP 12/4/2005
This authorization expires: 7/24/2005

19 34 11
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 attribute unit for gas wells and within 1/2 mile of the boundaries of the prorated acreage attribute unit for oil wells.

API No. 19 - Operator: Little reopening Company, LLC
Lease: Nonagsta
Well Number: 12
Field: Stratton
Number of Acres attributable to well: 10
QTR / QTR / QTR of acreage: SE / NW / SE

Location of Well: County: Barber
1980
1650
Sec. 19
Twp. 34
S. R. 11

Line of Section
Line of Section

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 location.

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 (CD-7 for oil wells; CD-8 for gas wells).
January 24, 2005

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

RE: Drilling Pit Application
Fitzgerald Lease Well No. 2
SE1/4 Sec. 19-34S-11W
Barber 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 on a daily basis.

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. Also please file the enclosed CDP-5 form, Surface Pond Waste Transfer, within 30 days of fluid removal.

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
Environmental Protection and Remediation Department

cc: S Durrant