NOTICE OF INTENT TO DRILL

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

For KCC Use:

Effective Date: 10-31-2000
District # 4
SGA? Yes X No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Expected Spud Date: November 1, 2000

OPERATOR: License #: 30282
Name: Lobo Production, Inc.
Address: 6715 Road 22
City/State/Zip: Goodland, KS 67735
Contact Person: John Sanders
Phone: 785-899-5684

CONTRACTOR: License #: 8273
Name: Excell Drilling Company

Well Drilled For: XOil / Gas / Storage / Disposal / Seismic / Other
Well Class: XInfield / Pool Ext. / Wildcat / Cable
Type Equipment: XMud Rotary / Air Rotary

Spot: NW & SW corner of Sec. 33 Twp. 7 S. R. 39

Is SECTION X Regular / Irregular? X

(Note: Locate well on the Section Plat on reverse side)

County: Sherman
Lease Name: Kuhlman
Field Name: Goodland Gas Field
Is this a Prorated / Spaced Field? X
Target Information(s): Niobrara

Nearest Lease or unit boundary: 500 feet

Ground Surface Elevation: 3630 feet MSL

Water well within one-quarter mile:

Public water supply well within one mile:

Depth to bottom of fresh water: 250'

Depth to bottom of usable water: 250'-300'

Surface Pipe by Alternate: X

Length of Surface Pipe Planned to be set: 300'-350' /

Length of Conductor Pipe required: none

Projected Total Depth: 1200'

Producing Formation Target: 1000-1100' (Niobrara)

Water Source for Drilling Operations:

Well Farm Pond X City water /

DWR Permit: 

Will Cores be taken? X

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. 55-101, 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: 10/20/00 Signature of Operator or Agent: John Sanders Title: President

For KCC Use ONLY

API # 15 - 181-20305-0000
Conductor pipe required X None feet
Minimum surface pipe required: 350' feet per Alt. 1 X
Approved by: W 10-26-2000
This authorization expires: 4-26-2001

This authorization void if drilling not started within 6 months of effective date.

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 2076, Wichita, Kansas 67202
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: ____________________________ Location of Well: County: ____________________________
Operator: ____________________________ County: ____________________________
Lease: ____________________________ Location from S / N (circle one) Line of Section
Well Number: ____________________________ Location from E / W (circle one) Line of Section
Field: ____________________________ Sec. ______ Twp. ______ S. R. ______ [ ] East [ ] West
Number of Acres attributable to well: ____________________________ Is Section ______ Regular or ______ Irregular
QTR / QTR / QTR of acreage: __________ - __________ - __________

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: (CO-7 for oil wells; CG-8 for gas wells).