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

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

For KCC Use:
Effective Date: 10-21-07
District #: 2
SGA? Yes X ❌ No

Expected Spud Date: Nov 17 2007

OPERATOR: License# 31860
Name: Lotus Operating Co. LLC
Address: 100 S. Main, Ste 420, Wichita, KS 67202
City/State/Zip: Wichita, KS 67202
Contact Person: Tim Heilman
Phone: 316-262-1077

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

Well Drilled For: Oil Gas OWD Seismic
Well Class: Enh Rec Storage Disposal
Type: Mud Rotary Pool Ext Wildcat
Equipment: Infield Disposal Cable

Spot
SE NW SW Sec 31 Twp 28 S R 15
1660 feet from N S Line of Section
1070 feet from E W Line of Section

Is SECTION Regular Irregular?
(Note: Locate well on the Section Plat on reverse side)
County: Pratt
Lease Name: Curtis
Field Name: Pyle NE
Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Lansing, Simpson
Nearest Lease or unit boundary: 1070
Ground Surface Elevation: est.2684
Foot MSL
Water well within one-quarter mile:
Yes No
Public water supply well within one mile:
Yes No
Depth to bottom of fresh water:
Surface Pipe by Alternate: Yes No
Length of Surface Pipe Planned to be set: 250
Length of Conductor Pipe required: NA
Projected Total Depth: 4975
Formation at Total Depth: Arbuckle
Water Source for Drilling Operations:
Well Farm Pond Other XXXX
DWR Permit #:
(Note: Apply for Permit with DWR)

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

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:
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 material 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: ____________________________ Title: Managing Member

For KCC Use ONLY

API # 15: 151-22885-0000
Conductor pipe required: None
Minimum surface pipe required: 250 feet per Ab
Approved by: 10-16-07
This authorization expires: 2008-08
(This authorization void if drilling not started within 6 months of approval date.)
Spud date: 10-21-07
Agent: ____________________________

Presented to:
KCC - Conservation Division, 130 S. Market - Room 2076, Wichita, Kansas 67202

Mail to: KCC - Conservation Division, 130 S. Market - Room 2076, Wichita, Kansas 67202

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: ____________________________
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.

APL No. 15 - 151-22285-0000
Operator: Lotus Operating Co. LLC
Lease: Curtis
Well Number: 1
Field: Pyle NE

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

Location of Well: County: Pratt
1660 feet from S Line of Section
1070 feet from W Line of Section
Sec 31 Twp 28 S R 15 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 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).
**KANSAS CORPORATION COMMISSION**  
**OIL & GAS CONSERVATION DIVISION**  
**APPLICATION FOR SURFACE PIT**

**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.:** 1 Curtis

**Type of Pit:**  
- [ ] Emergency Pit  
- [ ] Burn Pit  
- [x] Setting Pit  
- [ ] Drilling Pit  
- [ ] Workover Pit  
- [ ] Haul-Off Pit  

**Pit Location:**  
- SE  
- NW  
- SW

- **Sec:** 31  
- **Twp:** 28  
- **R:** 15  
- **E:** East  
- **W:** West

- **1660 Feet from North / South Line of Section**
- **1070 Feet from East / West Line of Section**

**Pratt County**

**Chloride concentration:** __________ mg/l  
(For Emergency Pits and Setting Pits only)

**Is the pit located in a Sensitive Ground Water Area?**  
- [ ] Yes  
- [x] No

**Is the bottom below ground level?**  
- [x] Yes  
- [ ] No

**Artificial Liner?**  
- [x] Yes  
- [ ] 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):**  
- Length (feet): 100  
- Width (feet): 100  
- Depth (feet): 4

**XX N/A: Steel Pits**

**Description of liner integrity:**  
Describe procedures for periodic maintenance and detection of liner integrity, including any special monitoring.

**Distance to nearest water well within one-mile of pit:**  
- Depth of water well: 20.3 feet  
- Depth to shallowest fresh water: 95 feet

**Source of information:**  
- Measured  
- Well owner  
- Electric log  
- KDWR

**Emergency, Setting 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?  
- [x] Yes  
- [ ] 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  
- Abandonment procedure: Pits are allowed to dry completely and backfilled when conditions allow

Drill pits must be closed within 365 days of spudd date.

**I hereby certify that the above statements are true and correct to the best of my knowledge and belief.**  

**Date:** 10/15/2007  
**Signature:**

**KCC OFFICE USE ONLY**

**Date Received:** 10/16/07  
**Permit Number:**  
**Permit Date:** 10/16/07  
**Lease Inspection:** [x] Yes  
[ ] No

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