NOTICE OF INTENT TO DRILL

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

For KCC Use:

Effective Date:

District:

SGA?

Yes No

OPERATOR:

Licensed:

Name:

Lubbock Operating Company, LLC

Address:

100 S. Main, Ste. 420, Wichita, KS 67202

City/State/Zip:

Wichita, KS 67202

Phone:

316/263-1077

CONTRACTOR:

License:

5822

Name:

Val Energy, Inc.

West Drilled For:

Gas

Oil

Oxidation

Wet Gas

Well Class:

Intact

Stressed

Type Equipment:

Mod Rotory

Drill Stem

Cable

Seismic:

# of Holes:

Other

If OXMO: 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 DRT #:

RECEIVED

JUL 19 2005

The undersigned hereby affirms that the above specified and eventual plugging of this well will comply with K.S.A. 55 et seq.

It is agreed that the following minimum information shall 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 a dry hole, an agreement shall be reached 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 surface to surface within 120 days of spud date.

Or pursuant to Appendix "B" - Eastern Kansas surface casing order $139,891-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.

Day:

7/19/2005

Signature of Operator or Agent:

Managing Member:

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, 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:
Operator: Lotus Operating Company, LLC
Lease: Atchison-Miller
Well Number: 81
Field: Comstock Ext.

Number of Acres attributable to well: 40
QTR / QTR / QTR of acreage: NE

Location of Well:
County: Clark

S Line of Section
N

W Line of Section
E

Sec. 11
W 32

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 w/ 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).