

RECEIVED

FEB 05 2004

For KCC Use: 2-11-04
Effective Date: 2-11-04
District # 1
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form C-1
December 2002
Form must be Typed
Form must be Signed
All blanks must be Filled

NOTICE OF INTENT TO DRILL
Must be approved by KCC five (5) days prior to commencing well

KCC WICHITA

Expected Spud Date April 1, 2004
month day year

Spot NE - NE - NW Sec. 4 Twp. 24 S. R. 32 East West

OPERATOR: License# 32309
Name: Presco Western, LLC
Address: 1775 Sherman St., Suite #2950
City/State/Zip: Denver, Colorado 80203
Contact Person: Richard J Gray
Phone: 303-864-1881 ext: 103

330 feet from N / S Line of Section
2210 feet from E / W Line of Section
Is SECTION Regular Irregular?

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

CONTRACTOR: License# 5822 30606
Name: Murfin Drilling Company

County: Finney
Lease Name: Leota Koster Well #: 1-304
Field Name: Congdon

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): St Louis

Nearest Lease or unit boundary: 330' north

Ground Surface Elevation: 2826' feet MSL

Water well within one-quarter mile: Yes No

Public water supply well within one mile: Yes No

Depth to bottom of fresh water: 300

Depth to bottom of usable water: 1100

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 1700

Length of Conductor Pipe required: NONE

Projected Total Depth: 4900

Formation at Total Depth: St Louis

Water Source for Drilling Operations: Well Farm Pond Other N/A

DWR Permit #: _____

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No

If Yes, proposed zone: _____

Well Drilled For: Oil Gas OWWO Seismic; # of Holes Other
Well Class: Enh Rec Storage Disposal Other
Type Equipment: Infield Pool Ext. Wildcat Other
 Mud Rotary Air Rotary Cable

If OWWO: old well information as follows:
Operator: _____
Well Name: _____
Original Completion Date: _____ Original Total Depth: _____

Directional, Deviated or Horizontal wellbore? Yes No

If Yes, true vertical depth: _____

Bottom Hole Location: _____

KCC DKT #: _____

Prorated & Spaced
Hugoton & Panoma

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 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.
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: February 3, 2004 Signature of Operator or Agent: _____ Title: President

For KCC Use ONLY
API # 15 - 055-21825-00.00
Conductor pipe required NONE feet
Minimum surface pipe required 1120 feet per Alt. 1
Approved by: RJP 2-6-04
This authorization expires: 8-6-04
(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.
- 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: _____

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

4
24
325

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: Presco Western, LLC
 Lease: Leota Koster
 Well Number: 1-304
 Field: Congdon

Location of Well: County: Finney
 330 _____ feet from N / S Line of Section
 2210 _____ feet from E / W Line of Section
 Sec. 4 Twp. 24 S. R. 32 East West

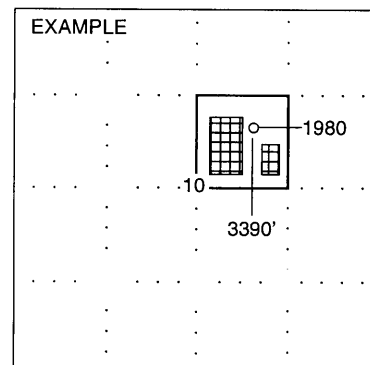
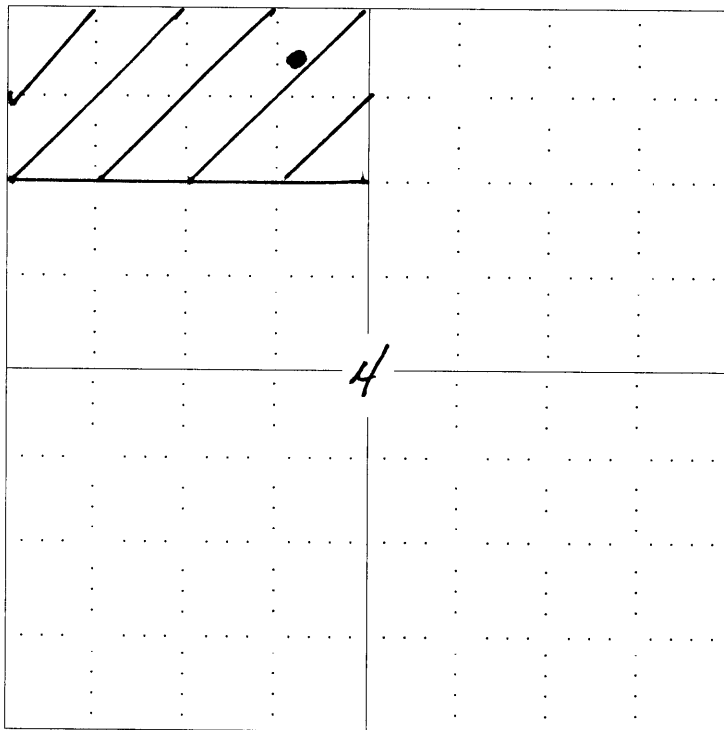
Number of Acres attributable to well: 80
 QTR / QTR / QTR of acreage: NE - NE - Nw

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 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: (C0-7 for oil wells; CG-8 for gas wells).



KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

JOHN WINE, COMMISSIONER

ROBERT E. KREHBIEL, COMMISSIONER

February 6, 2004

Mr. Richard Gray
Presco Western, LLC
1775 Sherman St Ste 2950
Denver, CO 80203

Re: Drilling Pit Application
Leota Koster Lease Well No. 1-304
NW/4 Sec. 04-24S-32W
Finney County, Kansas

Dear Mr. Gray:

District staff has inspected the location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has instructed that no earthen pits are to be used at the location. Steel pits are to be used. Please inform the Commission in writing as to which disposal well you will utilize to dispose of the contents in the steel pits and the amount of fluid which will be disposed.

Should a haul-off pit be necessary, please complete the enclosed CDP-1. This location will have to be inspected prior to approval of the haul-off pit application.

Sincerely,



Kathleen Haynes
Environmental Protection and Remediation Department

Cc: S Durrant