

For KCC Use: Effective Date: 3.31.04  
District # 3  
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

Expected Spud Date April 10, 2004  
month day year

Spot SENE  
~~SS No~~ Sec. 36 Twp. 26 S. R. 17  East  West  
1980 feet from  N /  S Line of Section  
660 feet from  E /  W Line of Section  
Is SECTION  Regular  Irregular?

OPERATOR: License# 32977  
Name: Dorado Gas Resources LLC  
Address: 14550 East Easter Ave., Ste 1000  
City/State/Zip: Centennial, CO 80112  
Contact Person: Steven A. Tedesco  
Phone: 720-889-0510

(Note: Locate well on the Section Plat on reverse side)  
County: Allen  
Lease Name: Markham Well #: 8-36  
Field Name: Humboldt-Chanute

CONTRACTOR: License# McGowan Drilling  
Name: 5786

Is this a Prorated / Spaced Field?  Yes  No  
Target Formation(s): Cherokee Group coals

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

Nearest Lease or unit boundary: 660 feet east 660 from south  
Ground Surface Elevation: 952 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: 20 feet 150  
Depth to bottom of usable water: 20 feet 200+

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

Surface Pipe by Alternate:  1  2  
Length of Surface Pipe Planned to be set: 20 feet  
Length of Conductor Pipe required: none  
Projected Total Depth: 1000  
Formation at Total Depth: Mississippian

Directional, Deviated or Horizontal well?  Yes  No  
If Yes, true vertical depth: \_\_\_\_\_  
Bottom Hole Location: \_\_\_\_\_  
KCC DKT #: MAR 26 2004

Water Source for Drilling Operations:  
 Well  Farm Pond Other \_\_\_\_\_  
DWR Permit #: \_\_\_\_\_  
(Note: Apply for Permit with DWR )  
Will Cores be taken?  Yes  No  
If Yes, proposed zone: Lower Cherokee Group

CONSERVATION DIVISION  
WICHITA, KS

**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: March 25, 2004 Signature of Operator or Agent: [Signature] Title: Manager of Geology

**For KCC Use ONLY**  
API # 15 - 001-29075-00-00  
Conductor pipe required None feet  
Minimum surface pipe required 20 feet per Alt. ②  
Approved by: RJP 3.26.04  
This authorization expires: 9.26.04  
(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

36 26 17E

**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: Dorado Gas Resources LLC  
 Lease: Markham  
 Well Number: 8-36  
 Field: Humboldt-Chanute  
 Number of Acres attributable to well: 80 acres  
 QTR / QTR / QTR of acreage: \_\_\_\_\_ - Se \_\_\_\_\_ - Ne \_\_\_\_\_

Location of Well: County: Neosho  
1980 feet from  N /  S Line of Section  
660 feet from  E /  W Line of Section  
 Sec. 36 Twp. 26 S. R. 17  East  West

Is Section:  Regular or  Irregular

If Section Is Irregular, locate well from nearest corner boundary.  
 Section corner used:  NE  NW  SE  SW

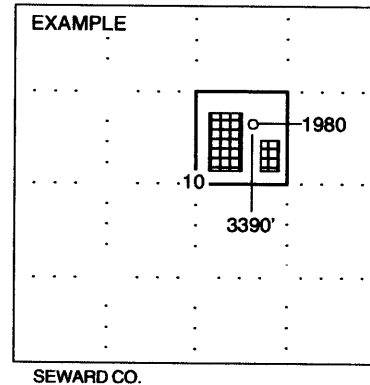
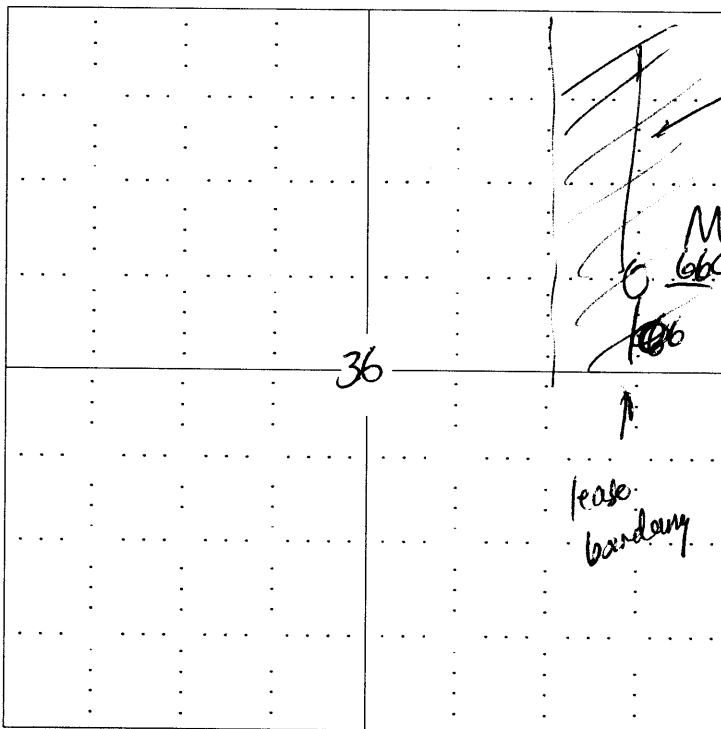
**PLAT**

*(Show location of the well and shade attributable acreage for prorated or spaced wells.)  
 (Show footage to the nearest lease or unit boundary line.)*

RECEIVED  
 KANSAS CORPORATION COMMISSION

MAR 26 2004

CONSERVATION DIVISION  
 WICHITA, KS



**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).