

For KCC Use: 5-23-05  
Effective Date: 5-23-05  
District #: 2  
3GA?  Yes  No

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

OWWO

Form C-1  
September 1999  
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 May 10 2005  
month day year

OPERATOR: License# 32639 (5-30-2005)  
Name: Coral Production Corporation  
Address: 1600 Stout Street, Suite 1500  
City/State/Zip: Denver, Colorado  
Contact Person: Jim Weber  
Phone: (303) 623-3573

CONTRACTOR: License# 33346 (11-30-06) APR 25 2005  
Name: T R Service & Rental Inc.  
d/b/a Alliance Well Service, Inc.

Well Drilled For:	Well Class:	Type Equipment:
<input type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input type="checkbox"/> Infield
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input checked="" type="checkbox"/> Mud Rotary
<input checked="" type="checkbox"/> OWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Pool Ext.
<input type="checkbox"/> Seismic; # of Holes	<input type="checkbox"/> Other	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> Other		<input type="checkbox"/> Cable

OWWO: old well information as follows:  
Operator: Graybol Oil Corp.  
Well Name: McKenna #1  
Original Completion Date: 9/23/65 Original Total Depth: 4395 ft

Directional, Deviated or Horizontal wellbore?  Yes  No  
If Yes, true vertical depth: \_\_\_\_\_  
Bottom Hole Location: \_\_\_\_\_  
CC DKT #: \_\_\_\_\_

Spot C NW SE Sec. 3 Twp. 28 S. R. 8  East  West  
1980 feet from (S) (circle one) Line of Section  
1980 feet from (E) (circle one) Line of Section  
Is SECTION  Regular  Irregular?

(Note: Locate well on the Section Plat on reverse side)  
County: Kingman  
Lease Name: McKenna Well #: 1  
Field Name: Georgia Spur  
Is this a Prorated / Spaced Field?  Yes  No

Target Information(s): Mississippian  
Nearest Lease or unit boundary: 1980 feet  
Ground Surface Elevation: 1599 feet \_\_\_\_\_ 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: 125 feet  
Depth to bottom of usable water: 180 feet  
Surface Pipe by Alternate:  1  2  
Length of Surface Pipe Planned to be set: 8" set @ 230 feet  
Length of Conductor Pipe required: None  
Projected Total Depth: 4100 feet  
Producing Formation Target: Mississippian  
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: \_\_\_\_\_

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: April 21, 2005 Signature of Operator or Agent: Jim R. Weber Title: President

For KCC Use ONLY  
API # 15 - 095-30255-00-01  
Conductor pipe required NONE feet  
Minimum surface pipe required 230 feet per Alt. ①  
Approved by: RJPS-18-05  
This authorization expires: 11-18-05  
(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.

3  
20  
83

**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: \_\_\_\_\_  
 Lease: \_\_\_\_\_  
 Well Number: \_\_\_\_\_  
 Field: \_\_\_\_\_  
 Number of Acres attributable to well: \_\_\_\_\_  
 QTR / QTR / QTR of acreage: \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_

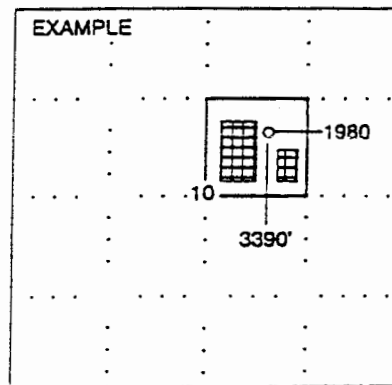
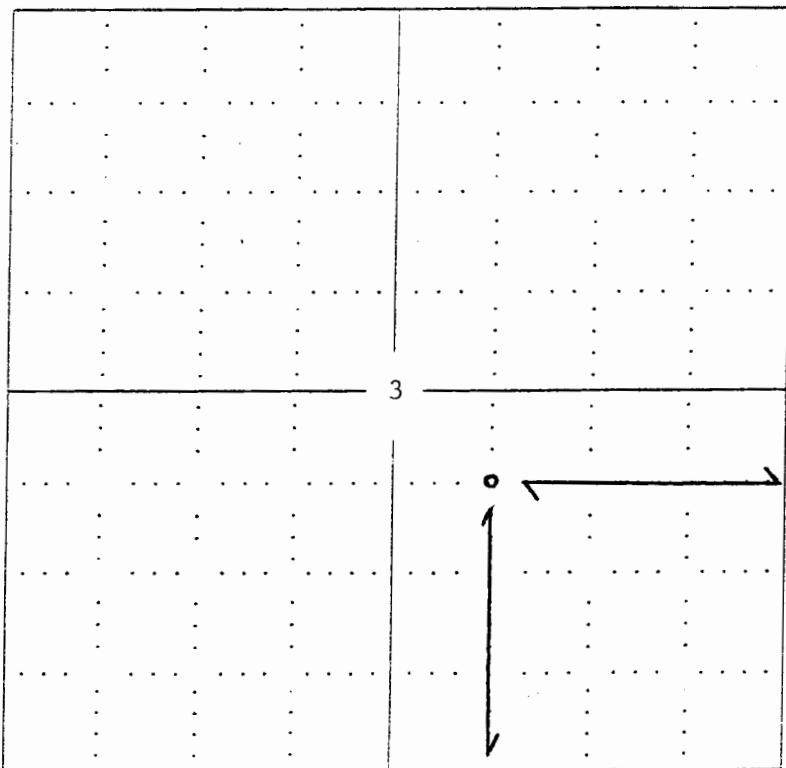
Location of Well: County: \_\_\_\_\_  
 \_\_\_\_\_ feet from S / N (circle one) Line of Section  
 \_\_\_\_\_ feet from E / W (circle one) Line of Section  
 Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  East  West

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

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

May 18, 2005

Mr. Jim Weber  
Coral Production Corporation  
1600 Stout St, Ste 1500  
Denver, CO 80202

RE: Drilling Pit Application  
McKenna Lease Well No. 1  
SE/4 Sec. 03-28S-08W  
Kingman County, Kansas

Dear Mr. Weber:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit within 48 hours of drilling completion.

**If production casing is set all completion fluids shall be removed on a daily basis.**

The fluids should be taken to an authorized disposal well. Please call the District Office at (316) 630-4000 when the fluids have been removed. Also, please file the enclosed CDP-5 form, Surface Pond Waste Transfer within 30 days of fluid removal.

**A copy of this letter should be posted in the doghouse along with the approved Intent to Drill.**

If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,

  
Kathy Haynes

Environmental Protection and Remediation Department

cc: Doug Louis