

For KCC Use:  
 Effective Date: 8-31-05  
 District #: 1  
 3GA?  Yes  No

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

Form C-1  
 September 1999  
 Form must be Typed  
 Form must be Signed  
 All blanks must be Filled

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

Expected Spud Date: August 29, 2005  
 month day year  
 OPERATOR: License# 32639 ✓  
 Name: Coral Production Corporation  
 Address: 1600 Stout Street, Suite 1500  
 City/State/Zip: Denver, Colorado 80202  
 Contact Person: Jim Weber  
 Phone: (303) 623-3573  
 CONTRACTOR: License# 33610 ✓  
 Name: Fossil Drilling, Inc.

Spot ~~300' N & 100' W~~  
AP. NE NW SW SE Sec. 36 Twp. 21 S. R. 14  East  West  
1200 feet from (S) / N (circle one) Line of Section  
2180 feet from (E) / W (circle one) Line of Section  
 Is SECTION  Regular  Irregular?

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

County: Stafford  
 Lease Name: McGinty Well #: 4  
 Field Name: McGinty

Is this a Prorated / Spaced Field?  Yes  No

Target information(s): Arbuckle  
 Nearest Lease or unit boundary: 360 feet ?460'?  
 Ground Surface Elevation: 1920 feet est. 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: 180-200 ft  
 Depth to bottom of usable water: 180-280 ft

Surface Pipe by Alternate:  1  2  
 Length of Surface Pipe Planned to be set: 350 ft  
 Length of Conductor Pipe required: None  
 Projected Total Depth: 3800 ft  
 Producing Formation Target: Arbuckle

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: \_\_\_\_\_

RECEIVED  
 KANSAS CORPORATION COMMISSION

**AFFIDAVIT**

AUG 25 2005

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.

CONSERVATION DIVISION  
 WICHITA, KS

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: 08/24/05 Signature of Operator or Agent: Jim R. Weber Title: President

For KCC Use ONLY

API # 15 - 185-23328-00-00  
 Conductor pipe required NONE feet  
 Minimum surface pipe required 200' feet per Alt.  X  
 Approved by: DPW 8-26-05  
 This authorization expires: 2-26-06  
 (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.

36  
 21  
 14w

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*

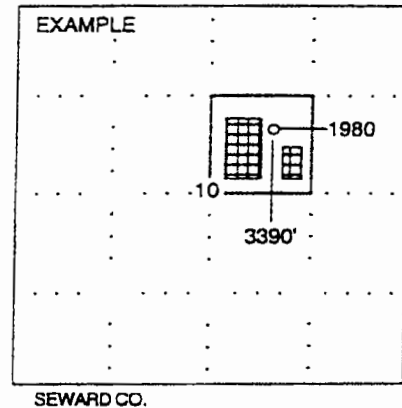
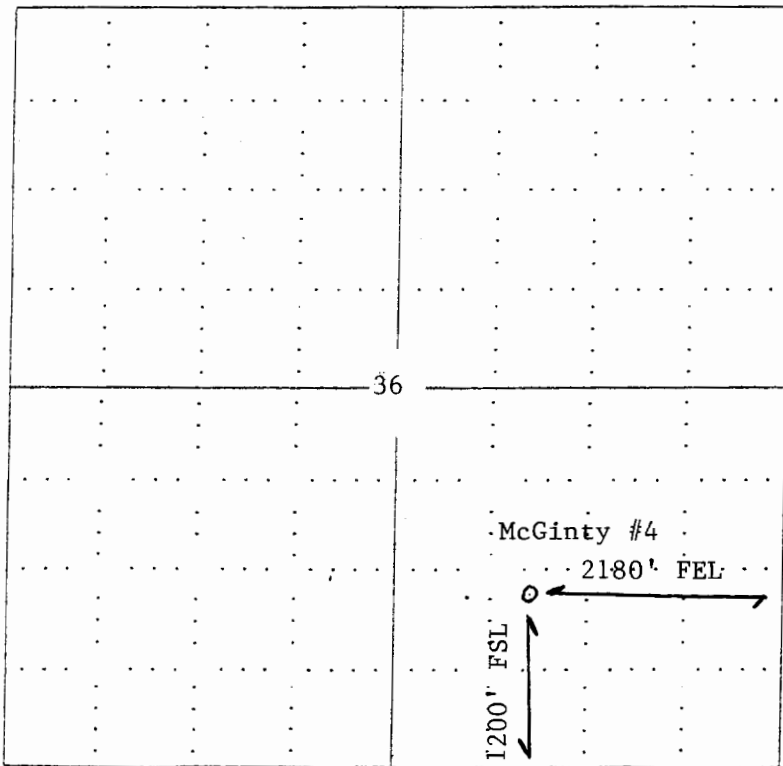
*If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. 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: \_\_\_\_\_  
 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

August 26, 2005

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

RE: Drilling Pit Application  
McGinty Lease Well No. 4  
SE/4 Sec. 36-21S-14W  
Stafford 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 as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again as soon as practical after drilling operations have ceased.

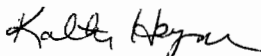
**If production casing is set all completion fluids shall be removed on a daily basis.**

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 when the fluids have been removed. Please file form CDP-5, Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site: [www.kcc.state.ks.us/conservation/forms](http://www.kcc.state.ks.us/conservation/forms).

**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: S Durrant