

For KCC Use:
Effective Date: 3-6-06
District # 3
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

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

OWG COR

Expected Spud Date February 28, 2006
month day year

Spot NW SE Sec. 18 Twp. 31S S. R. 10 East West
2180' feet from N / S Line of Section
1900' feet from E / W Line of Section

Is SECTION Regular Irregular?

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

County: Elk

Lease Name: DJK Ranch, LP Well #: 1

Field Name: West Moline (?)

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Mississippi Chat

Nearest Lease or unit boundary: 460' S of Estel Wilson

Ground Surface Elevation: 1195.6 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: N/A re-entry into existing well

Depth to bottom of usable water: N/A re-entry into existing well

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: N/A re-entry into existing well

Length of Conductor Pipe required: N/A re-entry into existing well

Projected Total Depth: 2238'

Formation at Total Depth: Mississippi Chat

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: _____

OPERATOR: License# 33707
Name: Coronado Kansas, LLC
Address: 8556 E 101st Street, Suite C
City/State/Zip: Tulsa OK 74133
Contact Person: Steve McDaniel
Phone: (918)369-4000

RECEIVED
KANSAS CORPORATION COMMISSION

MAR 01 2006

CONTRACTOR: License# 3591
Name: C & E Services

CONSERVATION DIVISION
WICHITA, KS

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 Workover and deepen additional 15'

If OWWO: old well information as follows:

Operator: Layton Oil Co.

Well Name: McSpadden #4

Original Completion Date: 1958 Original Total Depth: 2223

Directional, Deviated or Horizontal wellbore? Yes No

If Yes, true vertical depth: _____

Bottom Hole Location: _____

KCC DKT #: _____

WAS: 15049191020001

AFFIDAVIT IS: 1504919101-0008

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: 2/28/06 Signature of Operator or Agent: Mark D. Wilson Title: President & CEO

For KCC Use ONLY
API # 15 - 049-19102-00-01
Conductor pipe required NONE feet
Minimum surface pipe required 40' feet per Alt. X (2)
Approved by: DPW 3-1-06 / DPW 3-2003
This authorization expires: 9-1-06
(This authorization void if drilling not started within 6 months of approval 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

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