

APR 11 2006

CONSERVATION DIVISION
WICHITA, KS

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

WELL PLUGGING APPLICATION
Please TYPE Form and File ONE Copy

Form CP-1
September 2003
This Form must be Typed
Form must be Signed
All blanks must be Filled

API # 15 - 003-24240-0000 (Identifier Number of this well). This must be listed for wells drilled since 1967; if no API # was issued,

indicate original spud or completion date _____.

Well Operator: Meritage KCM Exploration, LLC KCC License #: 33138
(Owner / Company Name) (Operator's)

Address: 1050 17th street, Suite 975 City: Denver

State: CO Zip Code: 80265 Contact Phone: (303) 534 - 9513

Lease: Peine Trust Well #: 23-24 Sec. 23 Twp. 19 S. R. 19 East West

- - SE - SW Spot Location / QQQQ County: Anderson

660 Feet (in exact footage) From North / South (from nearest outside section corner) Line of Section (Not Lease Line)

1700 Feet (in exact footage) From East / West (from nearest outside section corner) Line of Section (Not Lease Line)

Check One: Oil Well Gas Well D&A Cathodic Water Supply Well
 SWD Docket # _____ ENHR Docket # _____ Other: _____

Conductor Casing Size: _____ Set at: _____ Cemented with: _____ Sacks

Surface Casing Size: 8 5/8" 32# Set at: 22' Cemented with: 4 Sacks

Production Casing Size: 5 1/2" 17# Set at: 1221' Cemented with: 165 Sacks

List (ALL) Perforations and Bridgeplug Sets: 1122.5'-1125.5', 1129.5'-1132', 1135.5'-1137.5', 1143'-1145', 1154'-1156'

Elevation: 992' (G.L. / K.B.) T.D.: 1235' PBDT: 1214' Anhydrite Depth: _____
(Stone Corral Formation)

Condition of Well: Good Poor Casing Leak Junk in Hole

Proposed Method of Plugging (attach a separate page if additional space is needed): Pump 60/40 Class A/Pozimix cement with 0.5 sax cotton
see hauls from PBDT to 900'; spot 9.5 ppg bentonite mud from 900' to 150'; spot 60/40 Class A/Pozimix cement
from 150' to 4' below ground level; cut casing and weld steel plate 4' below ground level, grade surface level

Is Well Log attached to this application as required? Yes No Is ACO-1 filed? Yes No

If not explain why? _____

Plugging of this Well will be done in accordance with K.S.A. 55-101 et. seq. and the Rules and Regulations of the State Corporation Commission.

List Name of Company Representative authorized to be in charge of plugging operations: _____

Larry Bryant Phone: (970) 301 - 1411

Address: 115 Oak Street City / State: Garnett, KS

Plugging Contractor: Consolidated Oil Well Services, Inc KCC License #: 31440
(Company Name) (Contractor's)

Address: 1322 S. Grant Chanute, KS 66720 Phone: (620) 431 - 9210

Proposed Date and Hour of Plugging (if known?): _____

Payment of the Plugging Fee (K.A.R. 82-3-118) will be guaranteed by Operator or Agent

Date: 3/28/06 Authorized Operator / Agent: [Signature]
(Signature)

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



CORPORATION COMMISSION

Kathleen Sebelius, Governor Brian J. Moline, Chair Robert E. Krehbiel, Commissioner Michael C. Moffet, Commissioner

NOTICE OF RECEIPT OF WELL PLUGGING APPLICATION (CP-1)

Meritage KCM Exploration, LLC
Independence Plaza
1050 17th Street - Suite 975
Denver, CO 80265

April 12, 2006

Re: PEINE TRUST #23-24
API 15-003-24240-00-00
SESW 23-19S-19E, 660 FSL 1700 FWL
ANDERSON COUNTY, KANSAS

Dear Operator:

This letter is to notify you that the Conservation Division is in receipt of your plugging proposal, form CP-1, for the above-captioned well.

Your CP-1 has been reviewed by the Conservation Division central office for completeness and to verify license numbers. The plugging proposal will now be forwarded to the district office listed below for review of your proposed method of plugging.

Please contact the district office for approval of your proposed plugging method at least five (5) days before plugging the well, pursuant to K.A.R. 82-3-113 (b). If a workover pit will be used during the plugging of the well it must be permitted. A CDP-1 form must be filed and approved prior to the use of the pit.

The Conservation Division's review of form CP-1, either in the central or district office, does not include an inquiry into well ownership or the filing operator's legal right to plug the well.

This notice in no way constitutes authorization to plug the above-captioned well by persons not having legal rights of ownership or interest in the well. This notice is void after ninety (90) days from the above date.

District: #3
1500 W. 7th
Chanute, KS 67220
(620) 432-2300

Sincerely

David P. Williams
Production Supervisor