

For KCC Use: 6-19-06
 Effective Date: _____
 District # _____
 SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

RECEIVED
 December 2002
Form must be Typed
Form must be Signed
Blanks must be Filled

NOTICE OF INTENT TO DRILL
Must be approved by KCC five (5) days prior to commencing well

JUN 14 2006

Expected Spud Date June 18, 2006
 month day year

OPERATOR: License# 32309
 Name: Presco Western, LLC
 Address: 5480 Valmont, Ste. 350
Boulder, CO 80301
 City/State/Zip:
 Contact Person: Leonard Witkowski
 Phone: 303-444-8881

CONTRACTOR: License# 30606
 Name: Murfin

<input checked="" type="checkbox"/> Oil	<input checked="" type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Infield	<input checked="" type="checkbox"/> Mud Rotary
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat	<input type="checkbox"/> Cable
<input type="checkbox"/> Seismic; # of Holes _____	<input type="checkbox"/> Other _____		
<input type="checkbox"/> Other _____			

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

Directional, Deviated or Horizontal wellbore? Yes No

If Yes, true vertical depth: _____

Bottom Hole Location: _____

KCC DKT #: _____

Prorated & Spaced Hugoton

CONSERVATION DIVISION
WICHITA, KS

Spot _____ East
 NE NW NE Sec. 15 Twp. 30 S. R. 32 West
330 feet from N / S Line of Section
1895 feet from E / W Line of Section
 Is SECTION Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)
 County: Haskell
 Lease Name: Diaden Farms Well #: 5-B15-30-32
 Field Name: Unnamed

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): St. Louis

Nearest Lease or unit boundary: 330

Ground Surface Elevation: 2878.6 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: 560

Depth to bottom of usable water: 660

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 700' minimum

Length of Conductor Pipe required: None

Projected Total Depth: 5850'

Formation at Total Depth: St. Louis

Water Source for Drilling Operations:

Well Farm Pond Other Trucked in

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 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: 6/13/2006 Signature of Operator or Agent: [Signature] Title: Regulatory Specialist

For KCC Use ONLY

API # 15 - 081-21665-0000

Conductor pipe required None feet

Minimum surface pipe required 680 feet per Alt. 1

Approved by: [Signature] 6-14-06

This authorization expires: 12-14-06
 (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

15 30 3RW

JUN 14 2006

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plat of acreage attributable to a well in a prorated or spaced field

CONSERVATION DIVISION
WICHITA, KS

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 - 081-21665-0000
Operator: Presco Western, LLC
Lease: Diaden Farms
Well Number: 5-B15-30-32
Field: Unnamed

Location of Well: County: Haskell
330 feet from N / S Line of Section
1895 feet from E / W Line of Section
Sec. 15 Twp. 30 S. R. 32 East West

Number of Acres attributable to well: 160
QTR / QTR / QTR of acreage: NE - NW - NE

Is Section: Regular or Irregular

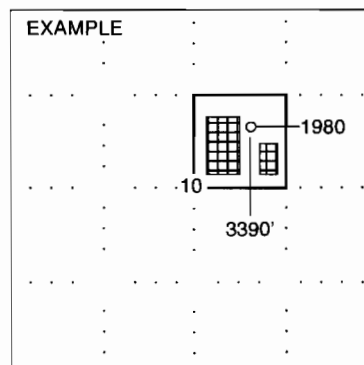
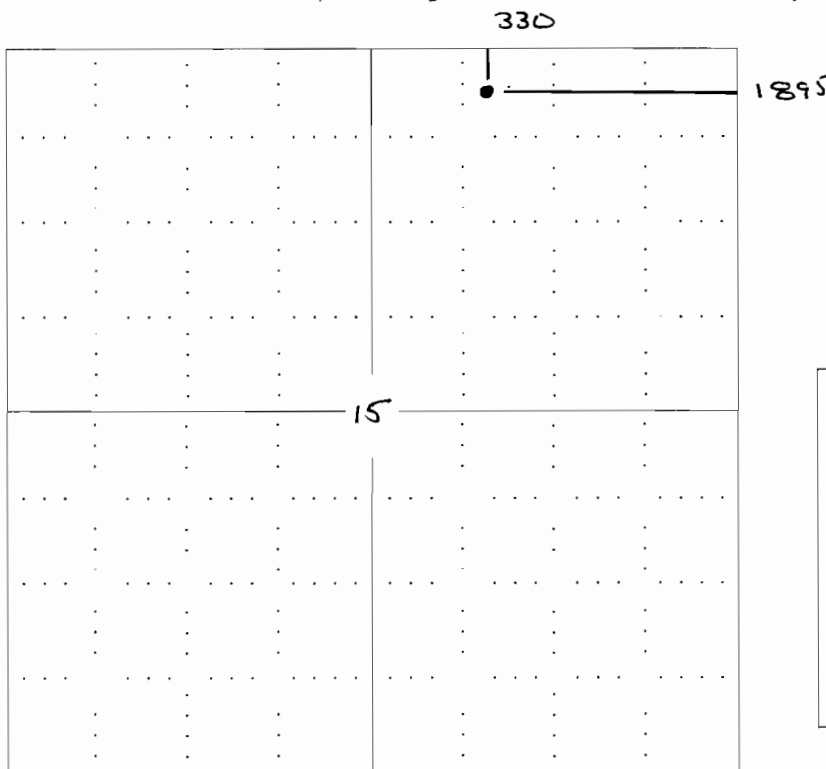
If Section Is Irregular, locate well from nearest corner boundary.

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.)



SEWARD CO.

NOTE: In all cases locate the spot of the proposed drilling locaton.

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: (C0-7 for oil wells; CG-8 for gas wells).

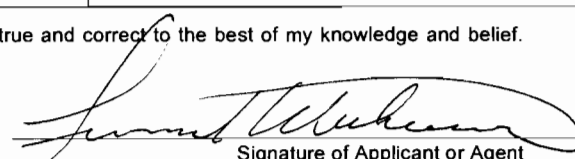
RECEIVED
KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT

Form CDP-1
 April 2004
 Form must be Typed

JUN 14 2006

CONSERVATION DIVISION
 WICHITA, KS

Submit in Duplicate

Operator Name: Presco Western, LLC		License Number: 32309
Operator Address: 5480 Valmont, Ste. 350 Boulder, CO 80301		
Contact Person: Leonard Witkowski		Phone Number: (303) 444 - 8881
Lease Name & Well No.: Diaden Farms 5-B15-30-32		Pit Location (QQQQ): NE NW NE Sec. 15 Twp. 30 R. 32 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 330 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 1895 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Haskell County
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit (If WP Supply API No. or Year Drilled)	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 5000 (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l (For Emergency Pits and Settling Pits only)
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	How is the pit lined if a plastic liner is not used? Natural mud seal
Pit dimensions (all but working pits): 125 Length (feet) 125 Width (feet) N/A: Steel Pits Depth from ground level to deepest point: 5 (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure.		Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring.
Distance to nearest water well within one-mile of pit 2023 feet Depth of water well 440 feet	Depth to shallowest fresh water 222 feet. Source of information: KH 266 2 _____ measured _____ well owner _____ electric log _____ KDWR	
Emergency, Settling and Burn Pits ONLY: Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No	Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: Natural mud Number of working pits to be utilized: One (1) Abandonment procedure: Air evaporation and backfill _____ Drill pits must be closed within 365 days of spud date.	
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.		
6/13/2006 Date	 Signature of Applicant or Agent	
KCC OFFICE USE ONLY		
Date Received: 6/14/06 Permit Number: _____ Permit Date: 6/14/06 Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

15-081-21615-0022