

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

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

**RECEIVED**  
 KANSAS CORPORATION COMMISSION Form C-1  
 December 2002  
**JUN 14 2006**  
 Form must be Typed  
 Form must be Signed  
 All blanks must be Filled  
 CONSERVATION DIVISION  
 WICHITA, KS

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

Expected Spud Date June 23, 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

Spot NE SE SW Sec. 17 Twp. 30 S. R. 32  East  West  
1000 feet from  N /  S Line of Section  
2025 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: Watkins Well #: 2-N17-30-32  
 Field Name: Unnamed

Is this a Prorated / Spaced Field?  Yes  No  
 Target Formation(s): St. Louis

Nearest Lease or unit boundary: 1000  
 Ground Surface Elevation: 2901.0 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: \_\_\_\_\_

Well Drilled For:	Well Class:	Type Equipment:
<input checked="" type="checkbox"/> Oil <input 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

**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 - 081-21666-0000  
 Conductor pipe required None feet  
 Minimum surface pipe required 680 feet per Alt. 1  
 Approved by: Perit 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

17  
30320

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 - 08121666-0000  
Operator: Presco Western, LLC  
Lease: Watkins  
Well Number: 2-N17-30-32  
Field: Unnamed  
Number of Acres attributable to well: 160  
QTR / QTR / QTR of acreage: NE - SE - SW

Location of Well: County: Haskell  
1000 feet from  N /  S Line of Section  
2025 feet from  E /  W Line of Section  
Sec. 17 Twp. 30 S. R. 32  East  West

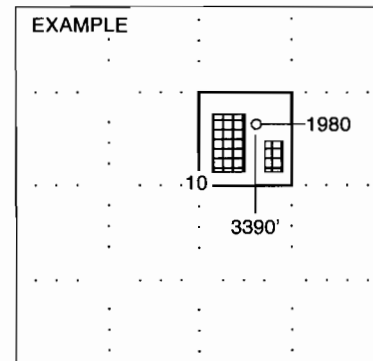
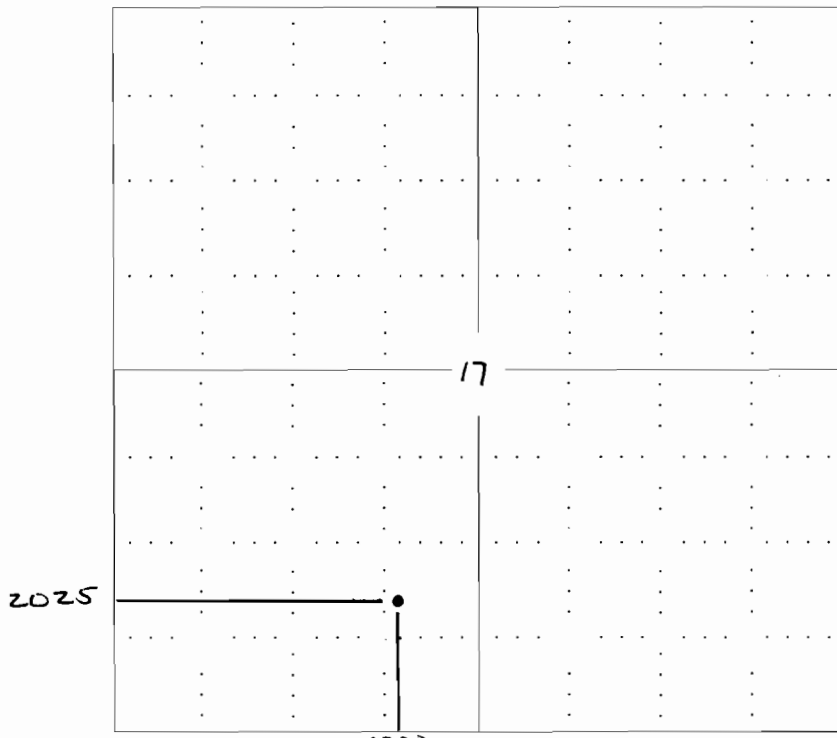
Is Section:  Regular or  Irregular

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:

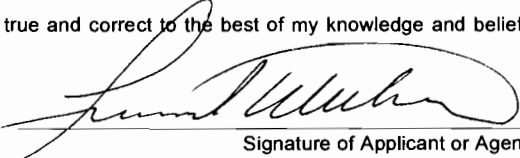
1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the section's south / north and east / west.
3. The distance to the nearest lease or unit 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  
OIL & GAS CONSERVATION DIVISION  
**APPLICATION FOR SURFACE PIT**

**RECEIVED**  
KANSAS CORPORATION COMMISSION  
Form CDP-1  
April 2004  
Must be Typed

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.: Watkins 2-N17-30-32		Pit Location (QQQQ): NE SE SW Sec. 17 Twp. 30 R. 32 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 1000 Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section 2025 Feet from <input type="checkbox"/> East / <input checked="" 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? <b>Natural mud seal</b>			
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 2355 feet    Depth of water well 452 feet		Depth to shallowest fresh water 250 feet. ① Source of information: KKKGS _____ measured    _____ well owner    _____ electric log    _____ KDWR	
<b>Emergency, Settling and Burn Pits ONLY:</b> 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		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> 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	
<b>KCC OFFICE USE ONLY</b>			
Date Received: 6/14/06    Permit Number: _____    Permit Date: 6/14/06    Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			

15-081-21618-0000