

For KCC Use:  
 Effective Date: 7-19-06  
 District # 1  
 SGA?  Yes  No

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

Form C-1  
 December 2002  
**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 July 25, 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# 33375 ✓  
 Name: Cheyenne Drilling LP

<b>Well Drilled For:</b>	<b>Well Class:</b>	<b>Type Equipment:</b>
<input checked="" type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Mud Rotary
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Cable
<input type="checkbox"/> Seismic; # of Holes	<input type="checkbox"/> Wildcat	
<input type="checkbox"/> Other	<input type="checkbox"/> Pool Ext.	
	<input type="checkbox"/> Other	

Spot  
 NE - NE - NW Sec. 30 Twp. 23 S. R. 33  East  West  
438 feet from  N /  S Line of Section  
2008 feet from  E /  W Line of Section

Is SECTION  Regular  Irregular?  
 (Note: Locate well on the Section Plat on reverse side)  
 County: Finney  
 Lease Name: GCC Well #: 6-C30-23-33  
 Field Name: Unnamed

Is this a Prorated / Spaced Field?  Yes  No  
 Target Formation(s): St Louis  
 Nearest Lease or unit boundary: 438

Ground Surface Elevation: 2913 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: 400  
 Depth to bottom of usable water: 440-1040

Surface Pipe by Alternate:  1  2  
 Length of Surface Pipe Planned to be set: 1000' minimum 1060' minimum Alt-I

Length of Conductor Pipe required: none  
 Projected Total Depth: 4950  
 Formation at Total Depth: St. Louis

Water Source for Drilling Operations:  
 Well  Farm Pond  Other  
 DWR Permit #: TO BE ASSIGNED xxxxxxxxxxxxxx

(Note: Apply for Permit with DWR )  
 Will Cores be taken?  Yes  No  
 If Yes, proposed zone: \_\_\_\_\_

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 & Penama

**AFFIDAVIT**

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 58-1101. It is agreed that the following minimum requirements will be met:

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 JUL 14 2006

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.

CONSERVATION DIVISION  
 WICHITA, KS

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.  
 Date: 7/13/2006 Signature of Operator or Agent: \_\_\_\_\_ Title: Regulatory Specialist

**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: \_\_\_\_\_

30  
 23  
 33W

**For KCC Use ONLY**  
 API # 15 - 055-21922-0000  
 Conductor pipe required None feet  
 Minimum surface pipe required 1060 feet per Alt. 1  
 Approved by: Per 7-14-06  
 This authorization expires: 1-14-07  
 (This authorization void if drilling not started within 6 months of approval date.)  
 Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

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*

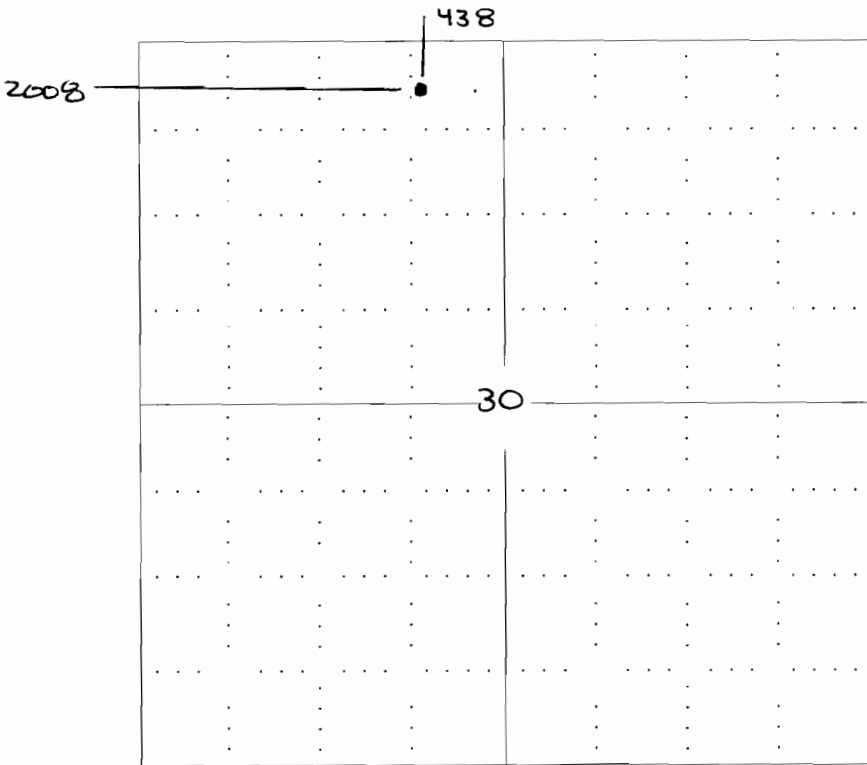
**If the intended well is in a prorated or spaced field, please fully complete this side of the form.** If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. 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 - 055-21922-0000  
Operator: Presco Western, LLC  
Lease: GCC  
Well Number: 6-C30-23-33  
Field: Unnamed  
Number of Acres attributable to well: 160  
QTR / QTR / QTR of acreage: NE - NE - NW

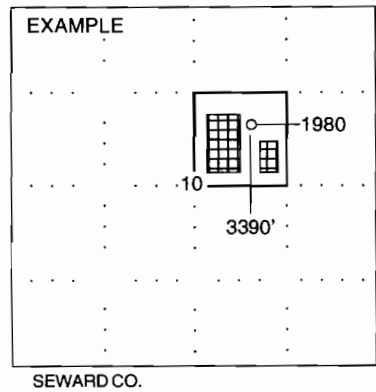
Location of Well: County: Finney  
438 feet from  N /  S Line of Section  
2008 feet from  E /  W Line of Section  
Sec. 30 Twp. 23 S. R. 33  East  West  
Is Section:  Regular or  Irregular  
**If Section is Irregular, locate well from nearest corner boundary.**  
Section corner used:  NE  NW  SE  SW

**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.)*



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**WICHITA, KS**



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

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

Form CDP-1  
April 2004  
Form must be Typed

*Submit in Duplicate*

Operator Name: <b>Presco Western, LLC</b>		License Number: <b>32309</b>
Operator Address: <b>5480 Valmont, Ste. 350 Boulder, CO 80301</b>		
Contact Person: <b>Leonard Witkowski</b>		Phone Number: ( <b>303</b> ) <b>444 - 8881</b>
Lease Name & Well No.: <b>GCC 6-C30-23-33</b>		Pit Location (QQQQ): <b>NE NE NW</b>
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 <small>(If WP Supply API No. or Year Drilled)</small>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: <b>5000</b> (bbls)	Sec. <b>30</b> Twp. <b>23</b> R. <b>33</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <b>438</b> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <b>2008</b> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <b>Finney</b> County
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small>
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): <b>125</b> Length (feet) <b>125</b> Width (feet) <b>N/A: Steel Pits</b> Depth from ground level to deepest point: <b>5</b> (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.
		<b>RECEIVED KANSAS CORPORATION COMMISSION JUL 14 2006 CONSERVATION DIVISION WICHITA, KS</b>
Distance to nearest water well within one-mile of pit <b>2514</b> feet    Depth of water well <b>283</b> feet	Depth to shallowest fresh water <b>175</b> feet. Source of information: <b>KMK63</b> _____ 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: <b>Natural mud</b> Number of working pits to be utilized: <b>One (1)</b> Abandonment procedure: <b>Air evaporation and backfill</b> _____ Drill pits must be closed within 365 days of spud date.	<b>15-055-21982-0002</b>
I hereby certify that the above statements are true and correct to the best of my knowledge and belief.  _____ Date: <b>7/13/2006</b> Signature of Applicant or Agent: 		
<b>KCC OFFICE USE ONLY</b>		
Date Received: <b>7/14/06</b> Permit Number: _____ Permit Date: <b>7/14/06</b> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

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

# KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

## **NOTICE TO OPERATORS DRILLING IN THE PANOMA- COUNCIL GROVE GAS POOL SPACED AREA**

The enclosed intent is located within the Panoma-Council Grove gas pool space area. In May 1978, Panoma-Council Grove Proration Order (as amended), Docket No. 60,024-C (C-7058) under FINDINGS OF FACT AND LAW on page 31, the following language is stated that:

"The Commission finds that in order to prevent waste and protect correlative rights, the following stated rules pertaining to wells already completed, in the process of being drilled or for future wells to be drilled in the Panoma Council Grove Gas Pool Spaced area, and for wells producing from the Council Grove Formation outside of the Panoma Council Grove Gas Pool Spaced area within the Hugoton Gas Field, should be adopted."

1. "No dual completions between the Chase (Hugoton) and Council Grove Formations will be permitted for future wells drilled."
2. "Casing shall not be set above the top of the Council Grove Formation for a Council Grove producing well."
3. "The production casing of all new Council Grove wells should be cemented with a calculated volume of cement sufficient to encase the casing from the bottom of the casing to a point 500 feet above the Chase Formation."
4. "The casing shall be encased in cement in the interval between the base of the Council Grove and the top of the Chase Formation on all wells, irrespective of depth, completed below the Council Grove Formation, if they are located within the space area."
5. "The cement coverage heretofore required shall be confirmed by the running of a recognized survey, such as a temperature survey or cement bond log."

A copy of this survey and the cement tickets(s) showing that all cement work has been completed, must be filed with the ACO-1 Completion Report within 120 days from the wells "spud date."

Failure to comply with these provisions may cause the well to be shut-in until compliance has been achieved.

If you have any questions, please feel free to contact the Conservation Division's Production Department at (316) 337-6200.