

For KCC Use:
 Effective Date: 1-13-07
 District #: 1
 SGA? Yes No

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION

RECEIVED

JAN 08 2007

Form C-1
 December 2002

Form must be Typed
 Form must be Signed
 All blanks must be Filled

NOTICE OF INTENT TO DRILL

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

Expected Spud Date February 15, 2007
 month day year

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

CONTRACTOR: License# 33375
 Name: Cheyenne Drilling LP

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

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 & PANDMA

Spot East West
 SW - SW - NW Sec. 26 Twp. 32 S. R. 40
2310 feet from N / S Line of Section
330 feet from E / W Line of Section
 Is SECTION Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)
 County: Morton
 Lease Name: Dos Reatas Well #: 5-E26-32-40
 Field Name: Kinsler

Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Morrow/St Louis
 Nearest Lease or unit boundary: 330
 Ground Surface Elevation: 3304.3 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: 560-350
 Depth to bottom of usable water: 600
 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: 5800
 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: 1/5/2007 Signature of Operator or Agent: _____ Title: Regulatory Specialist

For KCC Use ONLY
 API # 15 - 129-21792-0000
 Conductor pipe required None feet
 Minimum surface pipe required 620 feet per Alt. 1
 Approved by: RW 1-8-07
 This authorization expires: 7-8-07
 (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: _____

26 32 40W

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW JAN 08 2007

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 - 129-21792-0000
Operator: Presco Western, LLC
Lease: Dos Reatas
Well Number: 5-E26-32-40
Field: Kinsler

Location of Well: County: Morton
2310 feet from N / S Line of Section
330 feet from E / W Line of Section
Sec. 26 Twp. 32 S. R. 40 East West

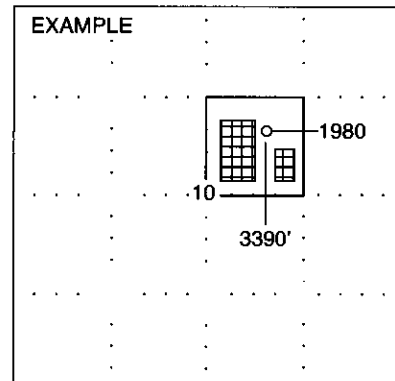
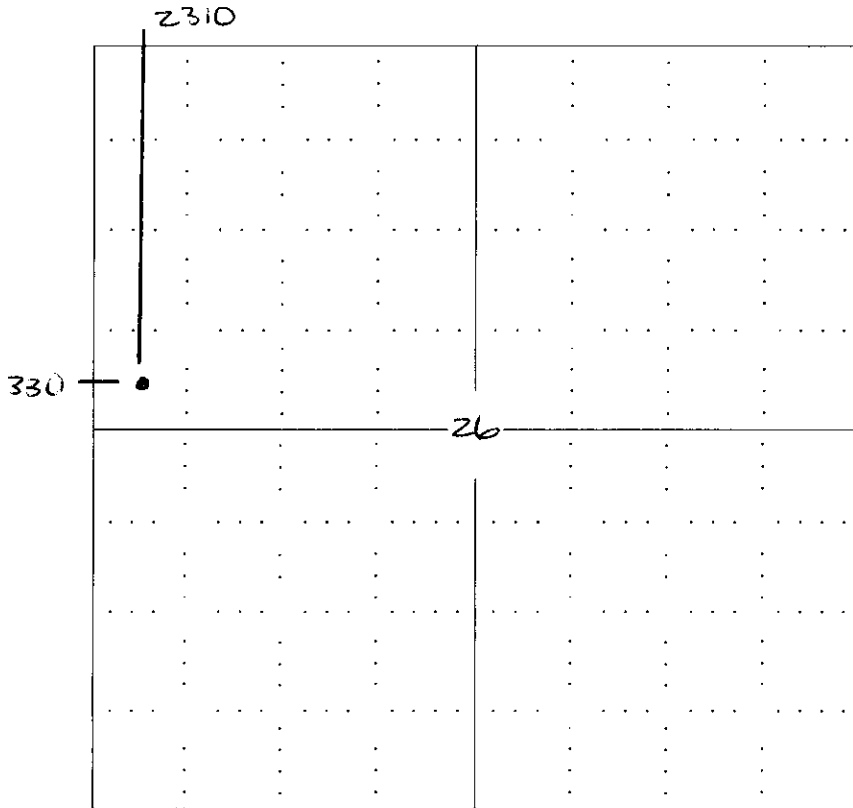
Number of Acres attributable to well: 160
QTR / QTR / QTR of acreage: SW - SW - NW

Is Section: Regular or Irregular

If Section is Irregular, locate well from nearest corner boundary.
Section corner used: NE NW SE SW

PLAT

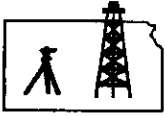
(Show location of the well and shade attributable acreage for prorated or spaced wells.)
(Show footage to the nearest lease or unit boundary line.)



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



ROBINSON SERVICES
Oil Field & Construction Staking
P.O. Box 2324
Garden City, Kansas 67846
Office/Fax: (620) 276-6159
Cell: (620) 272-1499

JAN 08 2007

CONSERVATION DIVISION
WICHITA, KS

6547

INVOICE NO.

15-129-21792-0000

Dos Reatas #5-E26-32s-40w

u122106-1
PLAT NO.

Presco Western, LLC.

OPERATOR

Morton County, KS

COUNTY

26

Sec.

32s

Twp.

40w

Rdg.

LEASE NAME

2310'FNL - 330'FWL

LOCATION SPOT

SCALE: 1" = 1000'

DATE: Dec 21st, 2006

MEASURED BY: Kent C.

DRAWN BY: Gabe O.

AUTHORIZED BY: Len W. & Janice H.



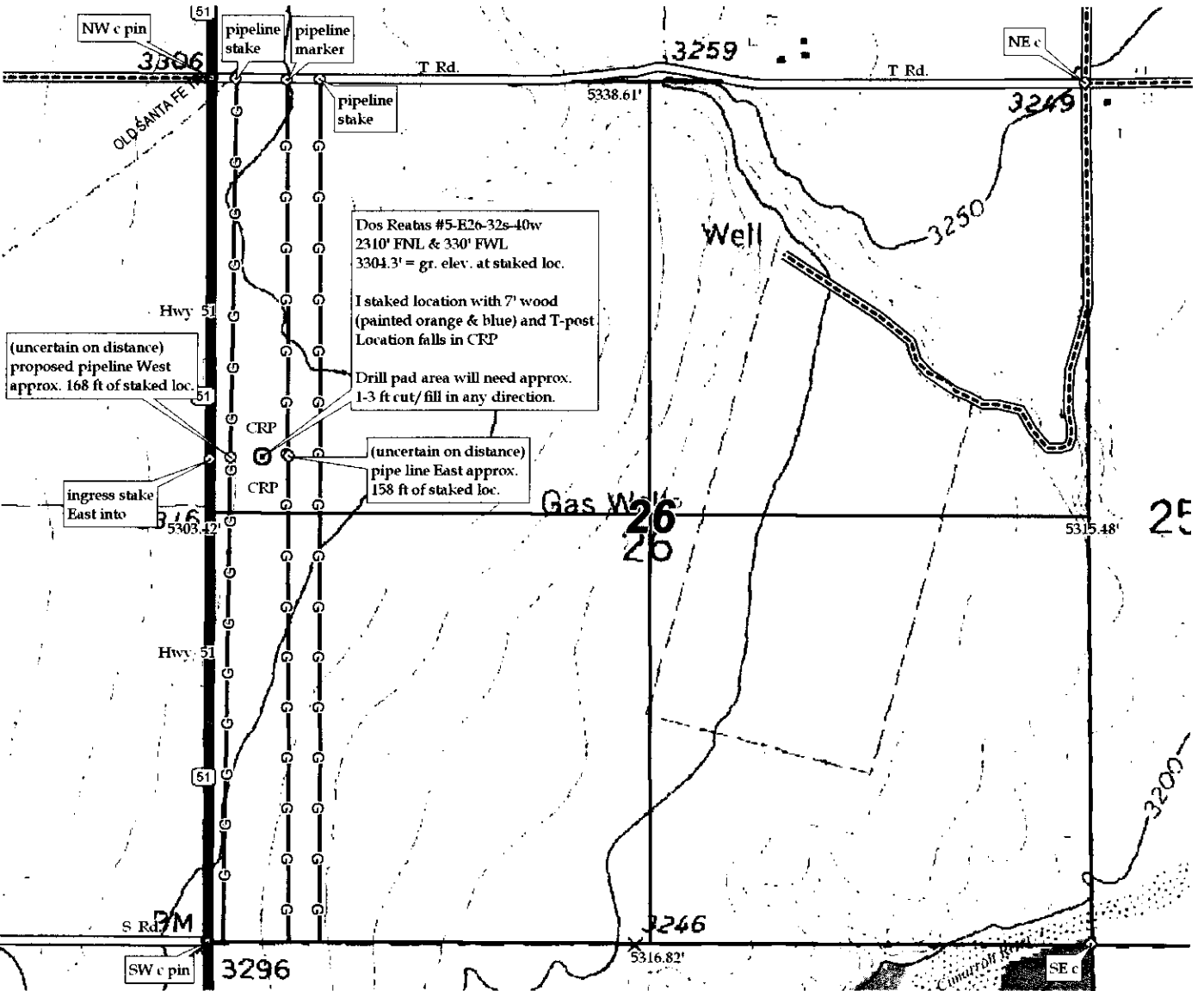
GR. ELEVATION: 3304.3'

D.F.: _____

Directions: From the NE corner of Rolla, Ks at the intersection of Hwy 56 & Hwy 51 - Now go 7.9 miles North to the SW corner of section 26-32s-40w - Now go 0.6 miles on North to ingress stake - Now go East 330 ft through CRP into staked location.

Final ingress must be verified with land owner or Presco Western, LLC.

This drawing does not constitute a monumented survey or a land survey plat
This drawing is for construction purposes only



KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

RECEIVED
KANSAS CORPORATION COMMISSION

Form CDP-1
April 2004
Form must be Typed

JAN 08 2007

APPLICATION FOR SURFACE PIT

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.: Dos Reatas 5-E26-32-40		Pit Location (QQQQ): SW - SW - NW - Sec. 26 Twp. 32 R. 40 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 2310 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 330 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Morton 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 <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: 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 <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? 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 4832 feet Depth of water well 472 feet		Depth to shallowest fresh water 85 feet. Source of information: <u>D</u> _____ 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.		
1/5/2007 Date		 Signature of Applicant or Agent

KCC OFFICE USE ONLY

Date Received: 1/8/07 Permit Number: _____ Permit Date: 1/8/07 Lease Inspection: Yes No

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

15-109-21792-0025

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.