

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

KANSAS CORPORATION COMMISSION  
 OIL & GAS CONSERVATION DIVISION

RECEIVED  
 KANSAS CORPORATION COMMISSION

Form C-1  
 December 2002

JAN 08 2007

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 CONSERVATION DIVISION  
 WICHITA, KS

Expected Spud Date February 22, 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

<b>Well Drilled For:</b>	<b>Well Class:</b>	<b>Type Equipment:</b>
<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 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 #: \_\_\_\_\_

Spot  East  West  
 NW - SW - SW Sec. 26 Twp. 32 S. R. 40  
990 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 #: 6-M26-32-40  
 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: 3291.3 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  
 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: \_\_\_\_\_

PRORATED & SPACED: HULLSTON & PANOMA

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 - 129-21793-0000  
 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: \_\_\_\_\_

216 32 400

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 - 129-21793-0000  
Operator: Presco Western, LLC  
Lease: Dos Reatas  
Well Number: 6-M26-32-40  
Field: Kinsler

Location of Well: County: Morton  
990 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: NW - SW - SW

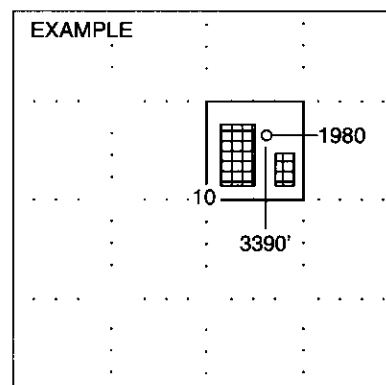
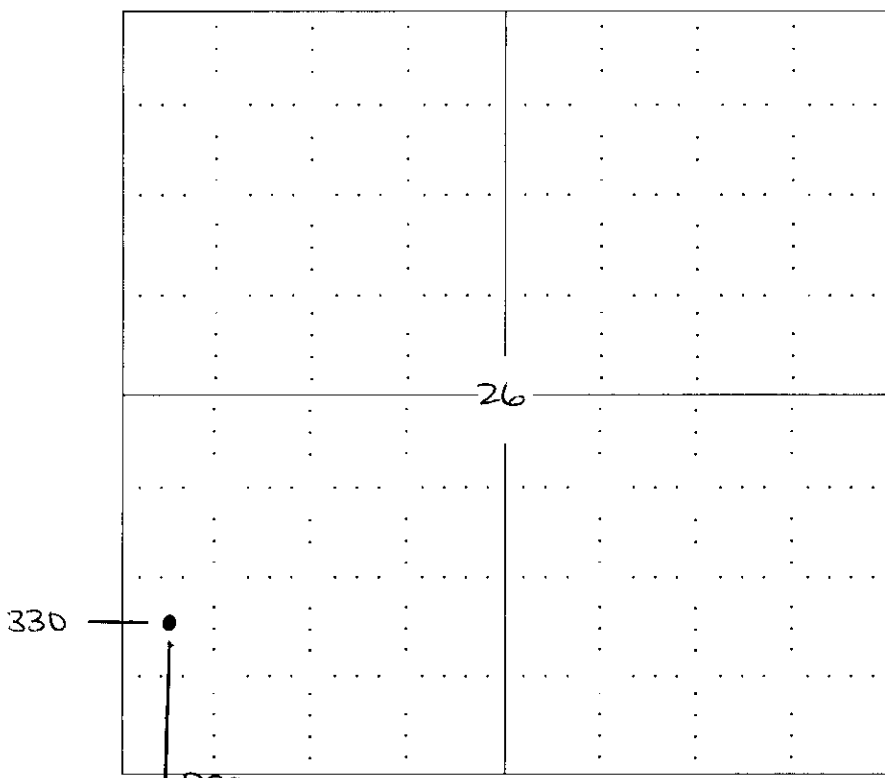
Is Section:  Regular or  Irregular

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.)

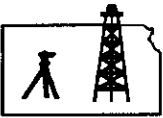


SEWARD CO.

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



**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

6548

INVOICE NO.

15-129-21793-0000

Dos Reatas #6-M26-32s-40w

u122106-1  
PLAT NO.

Presco Western, LLC.

OPERATOR

Morton County, KS

COUNTY

26

Sec.

32s

Twp.

40w

Rng.

990'FSL - 330'FWL

LEASE NAME  
LOCATION SPOT

SCALE: 1" = 1000'

DATE: Dec 21<sup>st</sup>, 2006

MEASURED BY: Kent C.

DRAWN BY: Gabe Q.

AUTHORIZED BY: Len W. & Janice H.



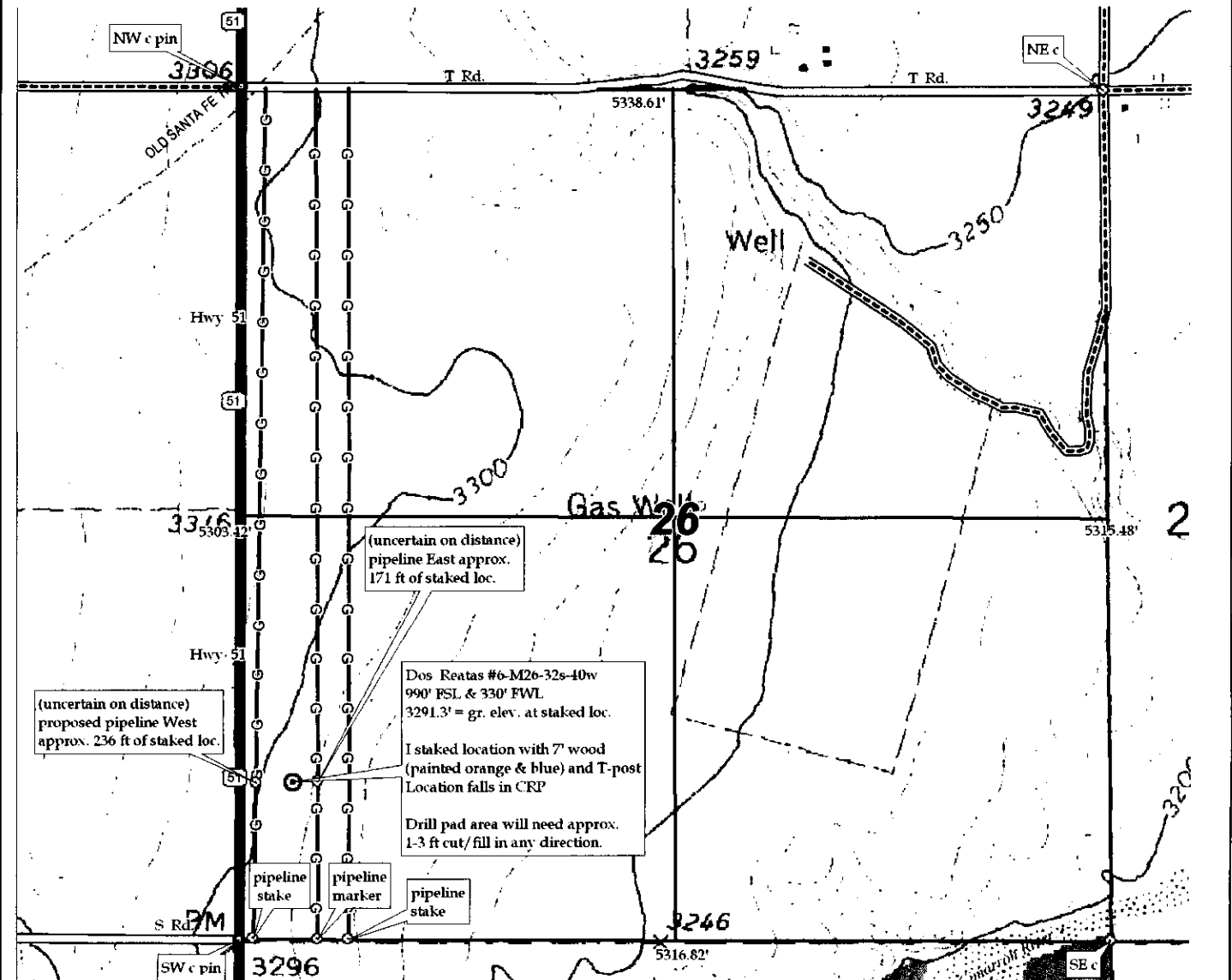
GR. ELEVATION: 3291.3'

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 0.2 miles on North to ingress stake - Now go 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***

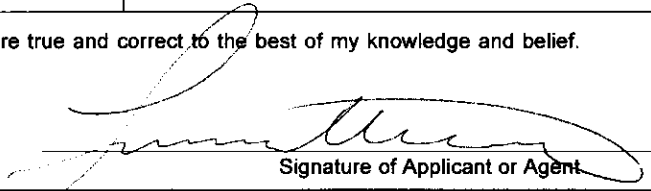


**KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
APPLICATION FOR SURFACE PIT**

**RECEIVED**  
KANSAS CORPORATION COMMISSION  
Form CDP-1  
April 2004  
Form must be Typed  
CONSERVATION DIVISION  
WICHITA, KS

JAN 08 2007

*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>Dos Reatas 6-M26-32-40</b>		Pit Location (QQQQ): <b>NW - SW - SW -</b> Sec. <b>26</b> Twp. <b>32</b> R. <b>40</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <b>990</b> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <b>330</b> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <b>Morton</b> 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: <b>5000</b> (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input checked="" 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): <u>125</u> Length (feet) <u>125</u> Width (feet) _____ N/A: <b>Steel Pits</b> Depth from ground level to deepest point: <u>5</u> (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 <u>4087</u> feet    Depth of water well <u>476</u> feet		Depth to shallowest fresh water <u>25</u> feet. Source of information: <u>(1)</u> _____ 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: <u>Natural mud</u> Number of working pits to be utilized: <u>One (1)</u> Abandonment procedure: <u>Air evaporation and backfill</u> 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.		
<u>1/5/2007</u> Date		 Signature of Applicant or Agent

15-129-21793-0000

<b>KCC OFFICE USE ONLY</b>			
Date Received: _____	Permit Number: _____	Permit Date: <u>1/8/07</u>	Lease Inspection: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

# 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.