



For KCC Use: **6-16-07**
 Effective Date: _____
 District # _____
 SGA? Yes No

KANSAS CORPORATION COMMISSION 1009820
 OIL & GAS CONSERVATION DIVISION

Form C-1
 November 2005
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 well

Expected Spud Date: 06/25/2007
 month day year

OPERATOR: License# 32309
 Name: Presco Western LLC
 Address 1: 5665 Flatiron Parkway
 Address 2: _____
 City: Boulder State: CO Zip: 80301
 Contact Person: Randy M. Verret
 Phone: 303-444-8881

CONTRACTOR: License# 33793
 Name: H2 Drilling LLC

Well Drilled For: Oil Enh Rec Infield Mud Rotary
 Gas Storage Pool Ext. Air Rotary
 Disposal Wildcat Cable
 Seismic; # of Holes _____
 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 - HUBERTON & PANOMA
Oil & Gas Lease Attached

Spot Description:
 SW - SW - SW - NE Sec. 20 Twp. 31 S. R. 39 E W
 (0000) 2,380 feet from N / S Line of Section
 2,387 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: Trahern Well #: 6-G20-31-39

Field Name: _____
 Is this a Prorated / Spaced Field? Yes No

Target Formation(s): St. Louis
 Nearest Lease or unit boundary line (in footage): 362
 Ground Surface Elevation: 3214 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: 250
 Depth to bottom of usable water: 580

Surface Pipe by Alternate: I II
 Length of Surface Pipe Planned to be set: 700

Length of Conductor Pipe (if any): _____
 Projected Total Depth: 6000

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: _____

RECEIVED Yes No
 KANSAS CORPORATION COMMISSION

AFFIDAVIT

JUN 11 2007

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:

CONSERVATION DIVISION
 WICHITA, KS

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: 6/8/07 Signature of Operator or Agent: [Signature]

Title: Mgr. - Business & Regulatory Affairs

For KCC Use ONLY
 API # 15 - 129-21807-0000
 Conductor pipe required _____ feet
 Minimum surface pipe required 600 feet per ALT. I II
 Approved by: [Signature]
 This authorization expires: 12-11-07
 (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 (within 60 days);
 - 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 Date: _____
 Signature of Operator or Agent: _____

20
31
39
 E W



1009820

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 - 129-21807-0000

Operator: Presco Western LLC

Lease: Trahern

Well Number: 6-G20-31-39

Field: _____

Number of Acres attributable to well: _____

QTR/QTR/QTR/QTR of acreage: SW - SW - SW - NE

Location of Well: County: Morton

2,380 feet from N / S Line of Section

2,387 feet from E / W Line of Section

Sec. 20 Twp. 31 S. R. 39 E W

Is Section: Regular or Irregular

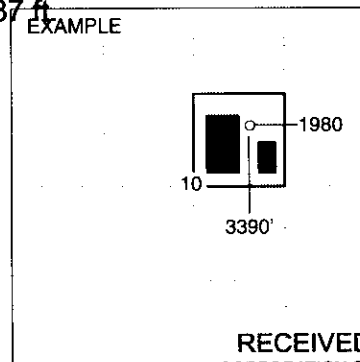
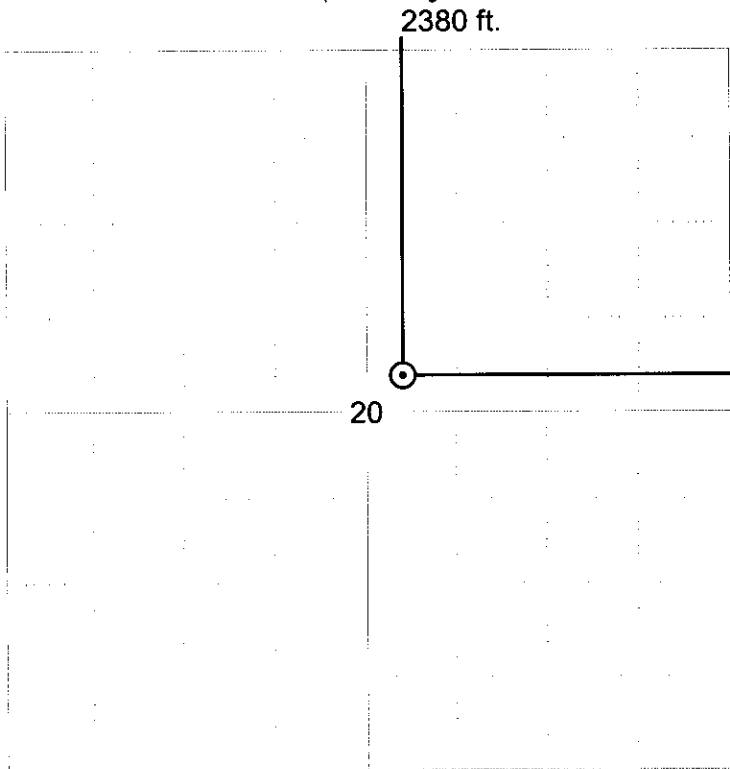
If Section is Irregular, locate well from nearest corner boundary.

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.)



RECEIVED
SEWARD CO. KANSAS CORPORATION COMMISSION

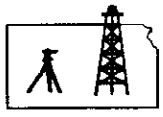
JUN 11 2007

CONSERVATION DIVISION
WICHITA, KS

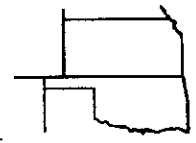
In plotting the proposed location of the well, you must show:

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 south / north and east / west outside section lines.
3. The distance to the nearest lease or unit boundary line (in footage).
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).

15-129-21807-0000



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



h060607-h
PLAT NO.

6892
INVOICE NO.

Presco Western, LLC.
OPERATOR
Morton County, KS
COUNTY

20 31s 39w
Sec. Twp. Rng.

Trahern #6-G20-31-39
LEASE NAME
2380' FNL & 2387' FEL
LOCATION SPOT

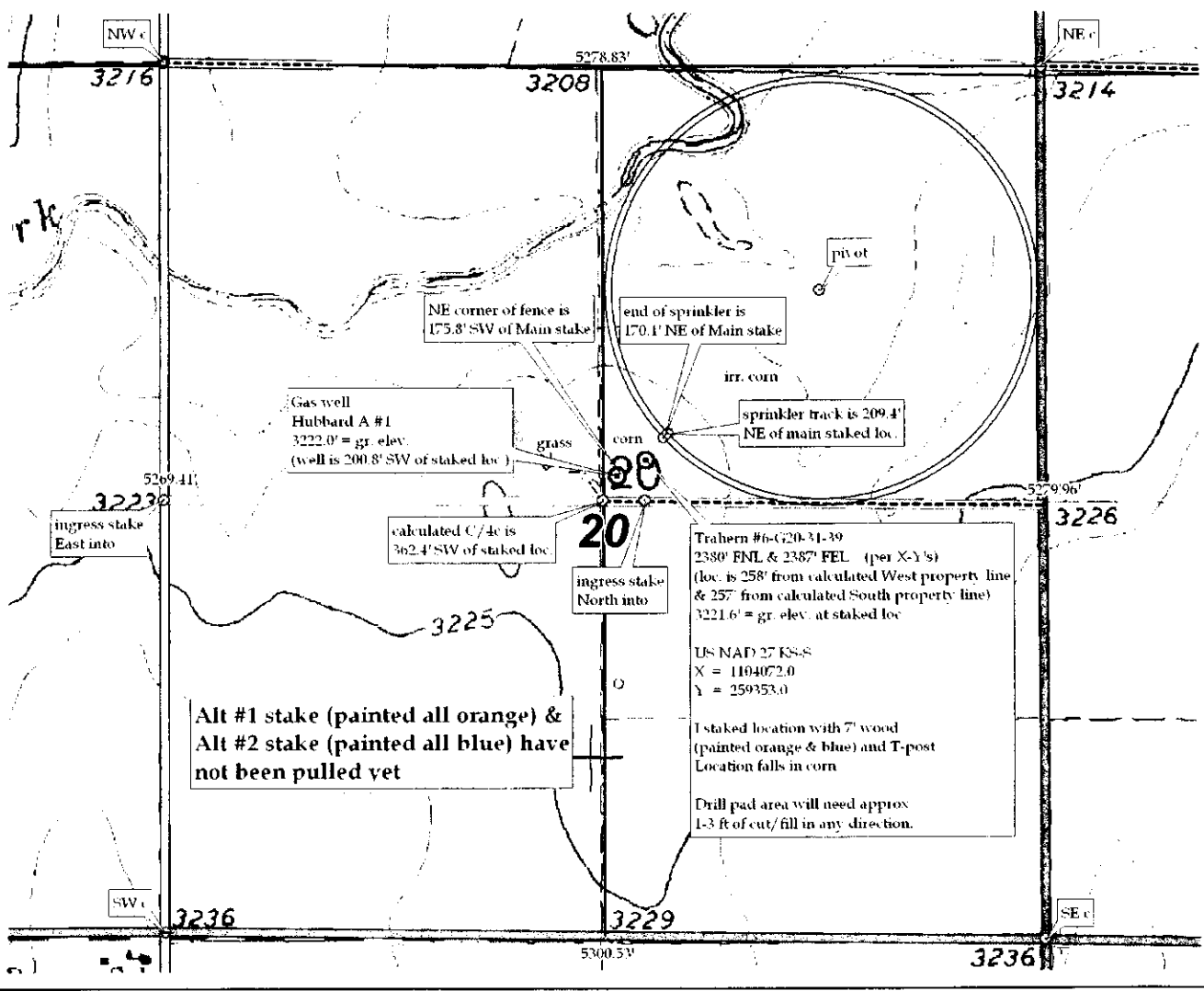
SCALE: 1" = 1000'
DATE: June 7th, 2007
MEASURED BY: Kent C.
DRAWN BY: Gabe Q.
AUTHORIZED BY: Randy V.



GR. ELEVATION: **3221.6'**

Directions: From the NE corner of Rolla, Ks at the intersection of Hwy 56, CR 24 South & Hwy 51 North - Now go 9.9 miles North on Hwy 51 - Now go 5 miles on North on 23 Rd. - Now go 3 miles East to the SW corner of section 20-31s-39w - Now go 0.5 mile North to ingress stake East into - Now go 0.6 mile East to ingress (main) stake North into - Now go 257' North through corn 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 1009820
 OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT

Form CDP-1
 April 2004
 Form must be Typed

Submit in Duplicate

Operator Name: Presco Western LLC		License Number: 32309	
Operator Address: 5665 Flatiron Parkway		Boulder CO 80301	
Contact Person: Randy M. Verret		Phone Number: 303-444-8881	
Lease Name & Well No.: Trahern 6-G20-31-39		Pit Location (QQQQ): SW SW SW NE Sec. 20 Twp. 31 R. 39 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 2,380 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 2,387 Feet from <input checked="" type="checkbox"/> East / <input 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: 5,000 (bbbls)	
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) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: 5 (feet) <input type="checkbox"/> No Pit			
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 4518 feet Depth of water well 272 feet		Depth to shallowest fresh water 165 feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input checked="" type="checkbox"/> 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: Native Mud Number of working pits to be utilized: 1 Abandonment procedure: Air Evaporation & 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.		RECEIVED KANSAS CORPORATION COMMISSION	
Date: 6/8/07		Signature of Applicant or Agent:	
		JUN 11 2007 CONSERVATION DIVISION WICHITA, KS	
KCC OFFICE USE ONLY			
Date Received: 6/11/07		Permit Number: _____ Permit Date: 6/11/07 Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

15-129-21807-0220

**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.