

For KCC Use: 3-17-07
 Effective Date: _____
 District # 1
 SGA? Yes No

KANSAS CORPORATION COMMISSION 1008209
 OIL & GAS CONSERVATION DIVISION **Permit Extension**

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: 04/04/2007
 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: Leonard Witkowski
 Phone: 303-444-8881

CONTRACTOR: License# 33784
 Name: Trinidad Drilling Limited Partnership

Well Drilled For:	Well Class:	Type Equipment:
<input checked="" type="checkbox"/> Oil	<input checked="" type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Infield
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.
	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat
<input type="checkbox"/> Seismic; # of Holes _____	<input type="checkbox"/> Other _____	<input type="checkbox"/> Cable
<input checked="" type="checkbox"/> Other: <u>Future Injection Well for SW Lemon Victory Waterflood</u>		
<input type="checkbox"/> If OWWO: old well information as follows:		

Spot Description: _____
 SW - SE - NE - SE Sec. 24 Twp. 30 S. R. 34 E W
 (0000) 1,512 feet from N / S Line of Section
405 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: SWLVLU Well #: 107
 Field Name: VICTORY

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Lansing A

Nearest Lease or unit boundary line (in footage): 405

Ground Surface Elevation: 2953 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: 580

Depth to bottom of usable water: 640

Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: 1700

Length of Conductor Pipe (if any): 0

Projected Total Depth: 4400

Formation at Total Depth: Lansing

Water Source for Drilling Operations:
 Well Farm Pond Other: Piped In from farmer

DWR Permit #: _____

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No

If Yes, proposed zone: _____

Directional, Deviated or Horizontal wellbore? Yes No

If Yes, true vertical depth: _____

Bottom Hole Location: _____

KCC DKT #: _____

PRORATED & SPACED: HUGOTON & 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:

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 KANSAS CORPORATION COMMISSION
 MAR 12 2007

CONSERVATION DIVISION
 HUGOTON, KANSAS

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 #183,891-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: 3/8/07 Signature of Operator or Agent: Leonard Witkowski Title: REG. SPECIALIST

For KCC Use ONLY
 API # 15 - 081-21713-0000
 Conductor pipe required 0 feet
 Minimum surface pipe required 660 feet per ALT I II
 Approved by: Per 3-12-07 / Per 8-23-07
 This authorization expires: 9-12-07 3-12-08
 (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: _____

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