

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

KANSAS CORPORATION COMMISSION 1008226
 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: 04/04/2007
 month day year

OPERATOR: License# 32309 **Permit Extension**
 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: Oil Gas Seismic
 Enh Rec Storage Disposal
 Other: Future Injection Well for SW Lemon Victory Waterflood
 If DWWD: old well information as follows:
 Operator:
 Well Name:
 Original Completion Date: Original Total Depth:

Well Class: Infield Pool Ext. Wildcat Other
 Type Equipment: Mud Rotary Air Rotary Cable

Directional, Deviated or Horizontal wellbore? Yes No
 If Yes, true vertical depth:
 Bottom Hole Location:
 KCC DKT #:

PRORATED & SPACED: HUGOTON & PANOMA

Spot Description: N2 SE NE NE Sec. 30 Twp. 30 S. R. 33 E W
 (or) 694 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: Haskell
 Lease Name: SWLVLU Well #: 115
 Field Name: VICTORY
 Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Lansing A

Nearest Lease or unit boundary line (in footage): 330
 Ground Surface Elevation: 2956 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: 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:

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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MAR 12 2007
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 cemented 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 #135,891-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: [Signature] Title: REG. SPECIALIST

For KCC Use ONLY
 API # 15 - 081-21719-0000
 Conductor pipe required 0 feet
 Minimum surface pipe required 660 feet per ALT. I II
 Approved by: [Signature] 3-12-07 / [Signature] 8-23-07
 This authorization expires: 9-23-07 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: