

For KCC Use:
 Effective Date: 1-27-08
 District # 4
 SGA? Yes No

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL

Form C-1
 December 2002
Form must be Typed
Form must be Signed
All blanks must be Filled

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

Expected Spud Date 1 23 08
 month day year

OPERATOR: License# 33325
 Name: Petroleum Development Corporation
 Address: 1775 Sherman St. Suite 3000
 City/State/Zip: Denver, CO 80203
 Contact Person: James Annable
 Phone: 303-905-4340

CONTRACTOR: License# 33532
 Name: Advanced Drilling Technologies

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

If OWWO: old well information as follows:
 Operator: NA
 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 SW - NW - NW Sec. 16 Twp. 5 S. R. 40
 East
 West
975 feet from N / S Line of Section
430 feet from E / W Line of Section
 Is SECTION Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: Cheyenne
 Lease Name: McPherson Well #: 11-16
 Field Name: Cherry Creek Niobrara Gas Area
 Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Niobrara
 Nearest Lease or unit boundary: 430'
 Ground Surface Elevation: 3669' 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: 320' 350'
 Depth to bottom of usable water: 320' 350'

Surface Pipe by Alternate: 1 2
 Length of Surface Pipe Planned to be set: 378' 400'
 Length of Conductor Pipe required: Not Required
 Projected Total Depth: 1720'
 Formation at Total Depth: Niobrara

Water Source for Drilling Operations:
 Well Farm Pond Other X
 DWR Permit #: Drilling Contractor will apply.

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No
 If Yes, proposed zone: _____

AFFIDAVIT

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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:

JAN 18 2008

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: 1/16/08 Signature of Operator or Agent: [Signature] Title: Sr. Regulatory Consultant

For KCC Use ONLY
 API # 15 - 023-20952-0000
 Conductor pipe required None feet
 Minimum surface pipe required 400 feet per Alt. 1
 Approved by: [Signature] 1-22-08
 This authorization expires: 1-22-09
 (This authorization void if drilling not started within 1/2 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: _____

NO S 40W

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 - 023-20952-0000
 Operator: Petroleum Development Corporation
 Lease: McPherson
 Well Number: 11-16
 Field: Cherry Creek Niobrara Gas Area
 Number of Acres attributable to well: NA
 QTR / QTR / QTR of acreage: SW - NW - NW

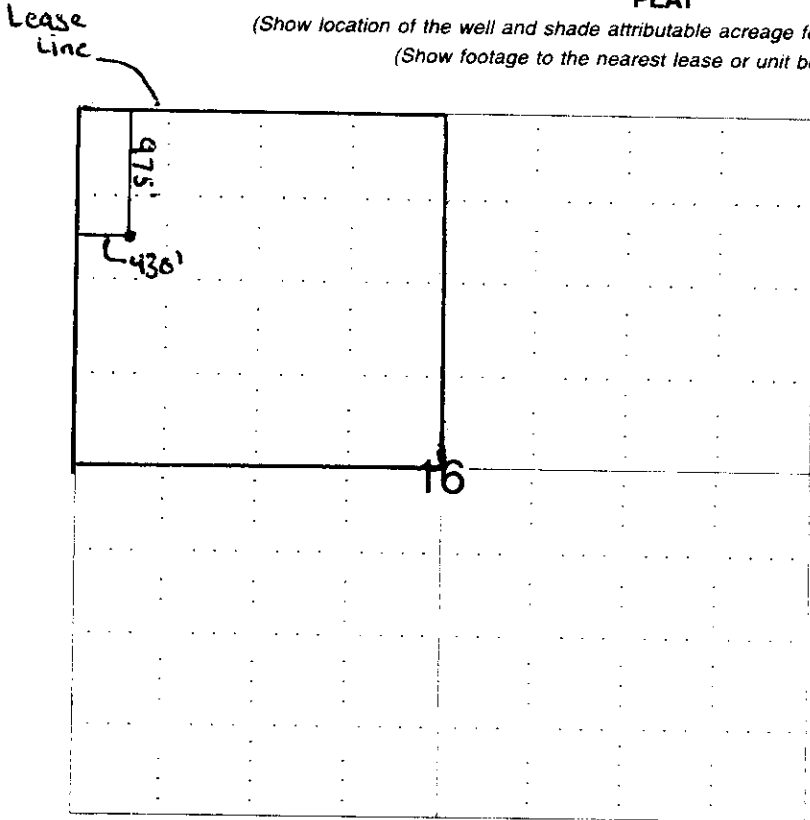
Location of Well: County: Cheyenne
975 feet from N / S Line of Section
430 feet from E / W Line of Section
 Sec. 16 Twp. 5 S. R. 40 East West

Is Section: Regular or Irregular

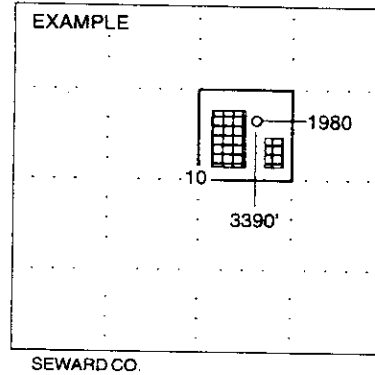
If Section is Irregular, locate well from nearest corner boundary.
 Section corner used: NE NW SE SW

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.)*



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 CONSERVATION DIVISION
 WICHITA, KS



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: (CO-7 for oil wells; CG-8 for gas wells).

15-023-20952-0000

WELL LOCATION CERTIFICATE

SECTION 16, TOWNSHIP 5 SOUTH, RANGE 40 WEST, 6TH P.M.

NW SEC. 16
CENTERLINE
OR FIELD RD

S 87°33'11" E 5274.09'

NE SEC. 16
CR 14 E
INTERSECTION

975'
430'

SURFACE LOCATION
GROUND ELEVATION = 3669'
LAT/LONG = 39.62372°
101.82397°

MCPHERSON 11-16

16

(BASIS OF BEARINGS)
N 02°34'29" E 5255.52'

S 02°40'10" W 5273.89'

NOTES
THIS IS A VERTICAL WELL
LAND SURFACE USE-AGRICULTURAL FIELD
NO VISIBLE IMPROVEMENTS WITHIN 200'

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WICHITA, KS




SW SEC. 16
FIELD RD
INTERSECTION

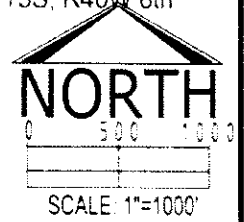
N 87°21'13" W 5265.36'

SE SEC. 16
CENTERLINE
CR 14 FIELD RD.

I HEREBY STATE TO PETROLEUM DEVELOPMENT CORPORATION THAT THIS WELL LOCATION CERTIFICATE INDICATES THE WELL **MCPHERSON 11-16** TO BE LOCATED 975' FNL AND 430' FWL, SEC. 16, T5S, R40W 6th P.M.

LEGEND

-  = FOUND MONUMENT
-  = PROPOSED WELL
-  = EXISTING WELL




BASIS OF BEARINGS AS SHOWN ABOVE

GROUND ELEVATION SHOWN IS APPROXIMATE AND IS BASED ON AN OBSERVED GPS ELEVATION (NAVD 1988 DATUM)

LAT. & LONG. SHOWN ARE BASED ON AN OBSERVED GPS OBSERVATION (NAD 1983/92) WITH A PDOP VALUE OF LESS THAN SIX (6)

ALL DISTANCES ARE FIELD MEASURED UNLESS OTHERWISE NOTED
DISTANCES TO WELL ARE SHOWN PERPENDICULAR TO SECTION LINES

THIS IS NOT A MONUMENTED BOUNDARY SURVEY. IT IS ONLY A DRAWING INTENDED TO DEPICT THE WELL LOCATION TO SECTION LINES

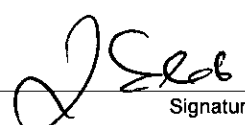
REV. S I O N S		PREPARED BY
INITIAL	DATE	 PFS Petroleum Field Services, LLC 1801 W. 13th Ave. Denver, CO 80204

FIELD DATE	12-18-07	WELL NAME	MCPHERSON 11-16
DRAWING DATE	12-21-07	SURFACE LOCATION	CHEYENNE COUNTY, KANSAS NW 1/4 NW 1/4, SEC. 16, T5S, R40W
BY	CAM		

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

Form CDP-1
April 2004
Form must be Typed

Submit in Duplicate

Operator Name: Petroleum Development Corporation		License Number: 33325
Operator Address: 1775 Sherman St, Suite 3000 Denver, CO 80203		
Contact Person: James Annable		Phone Number: (303) 905 - 4340
Lease Name & Well No.: McPherson 11-16		Pit Location (QQQQ): _____ SW _____ NW _____ NW Sec. 16 Twp. 5S R. 40 <input type="checkbox"/> East <input checked="" type="checkbox"/> West 975 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 430 Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section Cheyenne _____ 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: 1200 _____ (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 Clay/bentonite
Pit dimensions (all but working pits): _____ 50 _____ Length (feet) _____ 30 _____ Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: 6 _____ (feet)		
If the pit is lined give a brief description of the liner material, thickness and installation procedure. NA		Describe procedures for periodic maintenance and determine liner integrity, including any special monitoring. NA <div style="text-align: right;">RECEIVED KANSAS CORPORATION COMMISSION JAN 18 2008 CONSERVATION DIVISION WICHITA, KS</div>
Distance to nearest water well within one-mile of pit _____ 1300 ✓ feet Depth of water well _____ 325 feet		Depth to shallowest fresh water 207 _____ feet. Source of information: _____ measured _____ well owner _____ 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: Bentonite mud Number of working pits to be utilized: 1 Abandonment procedure: 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.		
_____ 1/16/08 _____ Date	_____  _____ Signature of Applicant or Agent	

KCC OFFICE USE ONLY

Date Received: 1/18/08 Permit Number: _____ Permit Date: 1/18/08 Lease Inspection: Yes No

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

15-003-20952-0000