

For KCC Use:  
Effective Date: 4-13-08  
District #: 4  
SGA? ☐ Yes ☒ No

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

Form C-1  
October 2007  
Form must be Typed  
Form must be Signed  
All blanks must be Filled

Expected Spud Date: APRIL 18, 2008  
month day year

OPERATOR: License# 32639 ✓  
Name: CORAL PRODUCTION CORP.  
Address 1: 1600 STOUT ST.  
Address 2: SUITE 1500  
City: DENVER State: CO Zip: 80202 +  
Contact Person: JAMES WEBER  
Phone: (303) 623-3573  
CONTRACTOR: License# 31548  
Name: DISCOVERY DRILLING CO., INC.

Well Drilled For: ☒ Oil ☐ Gas ☐ Enh Rec ☐ Storage ☐ Disposal ☐ Seismic; # of Holes ☐ Other: \_\_\_\_\_  
Well Class: ☐ Infield ☐ Pool Ext. ☒ Wildcat ☐ Other \_\_\_\_\_  
Type Equipment: ☒ Mud Rotary ☐ Air Rotary ☐ 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 Description: \_\_\_\_\_  
NE SE NW Sec. 2 Twp. 10 S. R. 18 ☐ E ☒ W  
(2/10/10) 1,730 feet from ☒ N / ☐ S Line of Section  
2,360 feet from ☐ E / ☒ W Line of Section

Is SECTION: ☒ Regular ☐ Irregular?

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

County: ROOKS  
Lease Name: COLLINS TRUST Well #: 2-1  
Field Name: WILDCAT

Is this a Prorated / Spaced Field? ☐ Yes ☒ No

Target Formation(s): LANSING/KANSAS CITY/ARBUCKLE

Nearest Lease or unit boundary line (in footage): 280'

Ground Surface Elevation: 2111' 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: 100'

Depth to bottom of usable water: 900'

Surface Pipe by Alternate: ☐ I ☒ II

Length of Surface Pipe Planned to be set: 200' EST

Length of Conductor Pipe (if any): NONE

Projected Total Depth: 3800'

Formation at Total Depth: ARBUCKLE

Water Source for Drilling Operations:

☐ Well ☒ Farm Pond ☐ Other: \_\_\_\_\_

DWR Permit #: \_\_\_\_\_

(Note: Apply for Permit with DWR ☒)

Will Cores be taken? ☐ Yes ☒ No

If Yes, proposed zone: \_\_\_\_\_

*Oil & gas leases w/pooling clauses submitted.*

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 correct to the best of my knowledge and belief.

Date: 4/3/08 Signature of Operator or Agent: JR. Weber Title: PRESIDENT

For KCC Use ONLY

API # 15 - 163-23715-0000  
Conductor pipe required None feet  
Minimum surface pipe required 200 feet per ALT. ☐ I ☒ II  
Approved by: 4809  
This authorization expires: 4809  
(This authorization void if drilling not started within 12 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: \_\_\_\_\_

**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 - 163-23715-0000  
 Operator: CORAL PRODUCTION CORP.  
 Lease: COLLINS TRUST  
 Well Number: 2-1  
 Field: WILDCAT

Number of Acres attributable to well: \_\_\_\_\_  
 QTR/QTR/QTR/QTR of acreage: \_\_\_\_\_ - NE - SE - NW

Location of Well: County: ROOKS  
1,730 feet from ☒ N / ☐ S Line of Section  
2,360 feet from ☐ E / ☒ W Line of Section  
 Sec. 2 Twp. 10 S. R. 18 ☐ E ☒ W

Is Section: ☒ Regular or ☐ Irregular

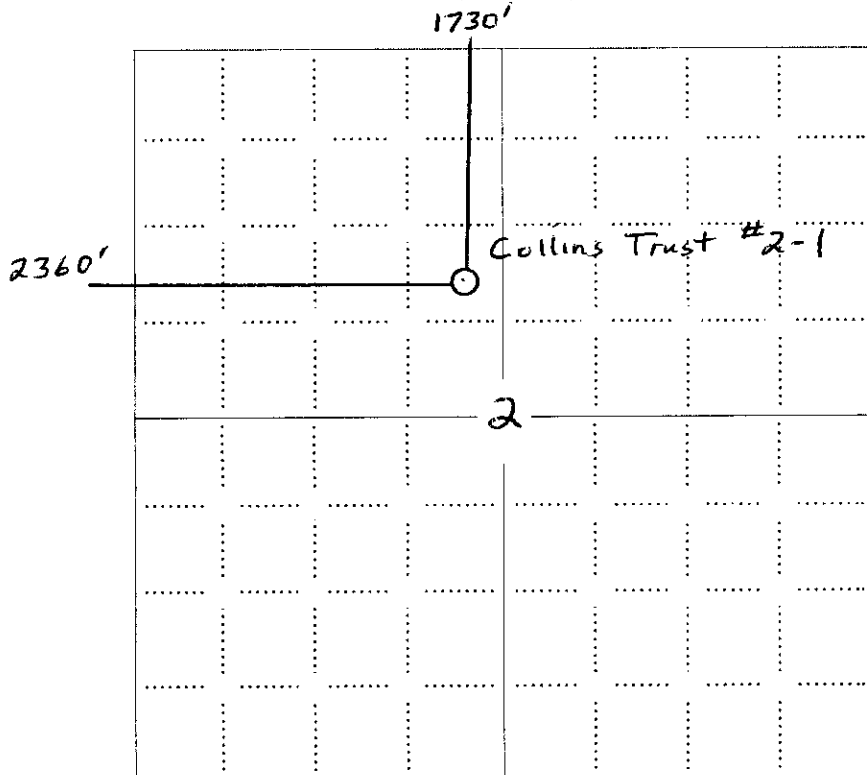
**If Section is Irregular, locate well from nearest corner boundary.**

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.)*

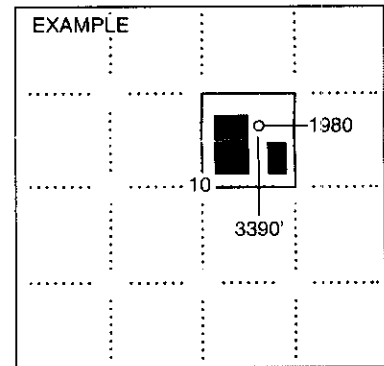


**NOTE: In all cases locate the spot of the proposed drilling location.**

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APR 07 2008

CONSERVATION DIVISION  
WICHITA, KS



SEWARD CO.

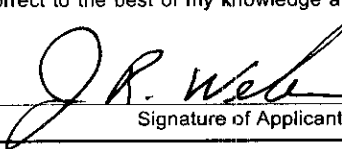
**In plotting the proposed location of the well, you must show:**

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).

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: <b>CORAL PRODUCTION CORP.</b>		License Number: <b>32639</b>	
Operator Address: <b>1600 STOUT ST.</b>		<b>SUITE 1500 DENVER CO 80202</b>	
Contact Person: <b>JAMES WEBER</b>		Phone Number: <b>(303) 623-3573</b>	
Lease Name & Well No.: <b>COLLINS TRUST 2-1</b>		Pit Location (QQQQ): <b>NE SE NW</b> Sec. <b>2</b> Twp. <b>10</b> R. <b>18</b> <input type="checkbox"/> East <input checked="" type="checkbox"/> West <b>1,730</b> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <b>2,360</b> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <b>ROOKS</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: _____ (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? <b>NATIVE MUD</b>	
Pit dimensions (all but working pits): <b>80</b> Length (feet) <b>80</b> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <b>6</b> (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.	
		<b>RECEIVED</b> KANSAS CORPORATION COMMISSION <b>APR 07 2008</b>	
Distance to nearest water well within one-mile of pit <b>717</b> feet    Depth of water well <b>50</b> feet		Depth to shallowest fresh water <b>100</b> feet. Source of information: <input type="checkbox"/> measured <input checked="" type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> 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: <b>FRESH WATER MUD</b> Number of working pits to be utilized: <b>3</b> Abandonment procedure: <b>ALLOW TO DRY &amp; BACKFILL</b> 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. <div style="display: flex; justify-content: space-between; align-items: flex-end; margin-top: 20px;"> <div> <b>APRIL 3, 2008</b> Date         </div> <div>  Signature of Applicant or Agent         </div> </div>			
<div style="display: flex; justify-content: space-between;"> <div> <b>KCC OFFICE USE ONLY</b>          Date Received: <b>4/2/08</b> Permit Number: _____ Permit Date: <b>4/2/08</b> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No       </div> <div>         Steel Pit <input type="checkbox"/> RFAC <input type="checkbox"/> RFAS <input type="checkbox"/> </div> </div>			

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

15-163-23715-0000

  
**KANSAS**  
CORPORATION COMMISSION

*Kathleen Sebelius, Governor  
Thomas E. Wright, Chairman  
Michael C. Moffet, Commissioner  
Joseph F. Harkins, Commissioner*

April 14, 2008

Jim Weber  
Coral Production Corporation  
1600 Stout St, Ste 1500  
Denver CO 80202

Re: Drilling Pit Application  
Collins Trust Lease Well No. 2-1  
NW/4 02-10S-18W  
Rooks County, Kansas

Dear Mr. Weber:

District staff has inspected the location and has determined that an unsealed condition will present a pollution threat to water resources.

District staff has instructed that no earthen pits are to be used at this location. Steel pits are to be used. Please inform the Commission in writing as to which disposal well you utilized to dispose of the contents in the steel pits and the amount of fluid that was disposed. Please file form CDP-5 (August 2004), Exploration and Production Waste Transfer, within 30 days of fluid removal.

Should a haul-off pit be necessary please file form CDP-1 (April 2004), Application for Surface Pit. This location will have to be inspected prior to approval of the haul-off pit application. Conservation division forms are available through our office and on the KCC web site: <http://kcc.ks.gov/conservation/forms/>

Sincerely,



Jonelle Rains, Supervisor  
Environmental Protection and Remediation Department

Cc: Case Morris  
File