KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

For KCC Use:

KCC WICHITA

Expected Spud Date: February 1, 2004

OPERATOR: License #: 32639
Name: Coral Production Corporation
Address: 1600 Stout Street, Suite 1500
City/State/Zip: Denver, Colorado 80202
Contact Person: Jim Weber
Phone: (303) 623-3573

CONTRACTOR: License #: 30606
Name: Mufin Drilling Company, Inc.

Well Class: Infield
Type of Equipment: Mud Rotary

Well Drilled For:

Oil
Gas
OWO
Seismic: # of Holes Other

Well Name: Ellis
Lease Name: Schmidt
Field Name: Wildcat

Is this a Prorated / Spaced Field? Yes No
Target Information(s): Lansing/Arbuckle
Nearest Lease or unit boundary: 180 feet
Ground Surface Elevation: 2040 est
Water well within one-quarter mile: Yes No
Public water supply well within one mile: Yes No
Depth to bottom of fresh water: 180 feet
Depth to bottom of usable water: 740 760 feet
Surface Pipe by Alternate: Yes No
Length of Surface Pipe Planned to be set: 200+feet
Length of Conductor Pipe required: None
Projected Total Depth: 3550 ft
Producing Formation Target: Lansing
Water Source for Drilling Operations:

Well Farm Pond Other

DWR Permit #: Yes No

Will Cores be taken? Yes No

Directional, Deviated or Horizontal wellbore? Yes No

Original Completion Date: Original Total Depth:

D Indicates Direction of Well:

Corrected Location: 1140' FUL/1360' FEL
5/2 5/2 N/4 NE

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101. 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. 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: December 15, 2003
Signature of Operator or Agent: James Wells
Title: President

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

Remember to:
- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACC-1 within 120 days of spud date;
- File acreage attribution plat according to field proportion 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.

For KCC Use ONLY

API #: 051.25273.00.00
Conductor pipe required: NONE feet
Minimum surface pipe required: 200 feet per Alt.

For KCC Use ONLY

Maximum: 12-18-03/RJFL2.04
This authorization expires:
(Timestamped well if drilling not started within 6 months of effective date.)
Spud date: 6-18-04
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.

Location of Well: County: ____________________________

Footage from S / N (circle one) Line of Section: ________ feet

Footage from E / W (circle one) Line of Section: ________ feet

Sec. _______ Twp. _______ S. R. ________ [East or 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.)

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

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