For KCC Use:

DEC 01 2003

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

KCC WICHITA

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

For KCC Use ONLY

API # 15: 025-21255-0000

Conductor pipe required: NONE feet

Minimum surface pipe required: 200 feet per Alt °

Approved by: Q212.03

This authorization expires: 6.2.04

(The authorization void if drilling not started within 6 months of effective date.)

Spud date: Agent:

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

RECEIVED

For KCC Use: 12-7-03

Effective Date: District 

SRA? Yes No

Expected Spud Date: December 9, 2003

OPERATOR: License # 33060

Name: Diversified Operating Corporation

Address: 15000 West 6th Ave. Suite 102

City/State/Zip: Golden, CO 80401

Contact Person: Cathy Cammon

Phone: 303-504-9811

CONTRACTOR: License # 5822

Name: Val Energy Inc

Well Drilled For: 

Gas Storage 

Well Class: Enr Rec

Wildcat

Mud Rotary

Air Rotary

Seismic

Other

If OWWO: old well information as follows:

Operator:

Well Name:

Original Completion Date: Original Total Depth:

Directional, Deviated or Horizontal wellbore? Yes No

Reference to nearest private source:

DWR Permit #:

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:

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. The appropriate district office will be notified before well is either plugged or production casing is cemented in;
5. If an alternate 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 completion 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: 11/25/2003 Signature of Operator or Agent: Presidcnt

Remember to:

- Fill Drill Pit Application (form CDP-1) with Intent to Drill;
- Fill 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: 20-7-1
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 -
Operator: Diversified Operating Corporation
Lease: Thomas
Well Number: 20-7-1
Field:________________________

Location of Well: County: Clark

1980 feet from  N / S Line of Section
1980 feet from  E / W Line of Section
Sec. 20  Twp. 32S  S. R. 22W

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.)

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