NOTICE OF INTENT TO DRILL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

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

OPERATOR: Licensee: 32639

Name: Coral Production Corporation
Address: 1600 Stout Street, Suite 1500
City/State/Zip: Denver, Colorado 80202
Contact Person: Jim Weber
Phone: (303) 623-3673

CONTRACTOR: Licensee: 30606
Name: Murfin Drilling Company, Inc.

WELL NUMBER: #7E/2T 15/2W 17/12R

July 12, 2004

For KCC Use ONLY

API # 15: 051 - 25335 00 00
Conductor pipe required: None
Minimum surface pipe required: 200 feet per Alt. 200 feet
Approved by: RSP 7/16/04
This authorization expires: 1/16/05

This authorization void if drilling not started within 6 months of effective date.

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

RECEIVED
JUL 16 2004
Form must be Typewritten
Form must be Signed
blanks must be filled

KCC WICHITA

Expected Spud Date: September 1, 2004

Well Drilled For: Oil
Well Class: Infield
Type Equipment: Air Rotary

Operator:
Original Completion Date:
Original Total Depth:

Directional, Deviated or Horizontal wellbore?
Yes ☑ No

Well Name:

Bottom Hole Location:

If OWWO: old well information as follows:
Operator:
Well Name:
Original Completion Date: 7/21/04
Original Total Depth: 4

Directional, Deviated or Horizontal wellbore?
Yes ☑ No

Ground Surface Elevation: 2157 ft est.

Water well within one-quarter mile:
Public water supply well within one mile:

Depth to bottom of fresh water:
Depth to bottom of usable water:

Surface Pipe by Alternate:
Length of Surface Pipe Planned to be set:
Length of Conductor Pipe required:
Projected Total Depth:

Producing Formation Target:
Water Source for Drilling Operations:

OVR 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. 55-101, 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: July 13, 2004
Signature of Operator or Agent: James R. Weller
Title: President

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 of injecting salt water.
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:
Lease:
Well Number:
Field:
Number of Acres attributable to well:
QTR / QTR / QTR of acreage:

Location of Well: County:

________________________ feet from S / N (circle one) Line of Section
________________________ feet from E / W (circle one) Line of Section
Sec. ___ Twp. ___ S. R. ___

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