NOTICE OF INTENT TO DRILL

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

For KCC Use Only:
API # 15 - 001-29134-00.00
Conductor pipe required: None feet
Minimum surface pipe required: 20 feet per Alt.
Approved by: RSP10-2004
This authorization expires: 4-20-05
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: Agent:

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

OPERATOR: License # 32977
Name: Dorado Gas Resources LLC
Address: 14550 East Easter Ave., Ste 1000
Centennial, CO 80112
Contact Person: Steven Tedesco
Phone: 720-899-0510

CONTRACTOR: License # 5786
Name: McGowan Drilling

Well Drilled For:

- Oil
- Enth Rec
- Gas
- Storage
- W.O.W.O.
- Disposal
- Seismic

Well Class:
- Infield
- Pool Ext.
- Wildcat

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 well?
Yes No
If Yes, vertical depth:
Bottom Hole Location:
KCC DKT #:

Well #

Sec. 36

Twp. 26

S. 17

West

T. 17

N. 1

Line of Section

S

LINE OF SECTION

Regular

Irregular

(feet from N / S Line of Section)

660

1980

(feet from E / W Line of Section)

Surf. Alt.:

Water well within one-quarter mile:

Yes

No

Public water supply well within one mile:

Yes

No

Depth to bottom of fresh water:

150 feet

200 feet

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set:

20 feet

Length of Conductor Pipe required:

None

Projected Total Depth:

1150'

Formation at Total Depth:

Mississippian

Water Source for Drilling Operations:

Well Farm Pond Other

DWR Permit #:

Yes No

(Note: For Permit with DWR )

Will Cores be taken?

If Yes, proposed zone:

(Any proposed zone must be extended a minimum of 30 feet beyond the ends of drilling operations."

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 to the best of my knowledge and belief.

Date: October 19, 2004
Signature of Operator or Agent: Title: Manager of Geology

Mail to: KCC - Conservation Division, 130 S. Market - Room 207B, Wichita, Kansas 67202

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:
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: Dorado Gas Resources LLC
Lease: Markham
Well Number: 2-36
Field: Humboldt-Chanute

Number of Acres attributable to well: ___________

QTR / QTR / QTR of acreage: _______ Nw _______ Ne

Location of Well: County: Allen

660 ______ feet from ______ N / ______ S Line of Section

1980 ______ feet from ______ E / ______ W Line of Section

Sec. 36 Twp. 26 S R. 17 ______ 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).