NOTICE OF INTENT TO DRILL

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

For KCC Use:
Effective Date:
District #
SGA?  Yes  No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

OPERATOR: License# 32309
Name: Presco Western, LLC
Address: 1775 Sherman St, Suite #2950
City/State/Zip: Denver, Colorado 80203
Contact Person: Richard J Gray
Phone: 303-864-1881 x103

CONTRACTOR: License# 33375
Name: Cheyenne Drilling LP

Well Drilled For: Oil  Enr Rec  Infield  Mud Rotary
Well Class: Gas  Storage  Pool Ext.  Air Rotary
OWO: Disposal  Wildcat  Cable
Seismic: # of Holes  Other

If OWO: 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 #:

Expected Spud Date: December 14, 2004

Spot

East

West

SE  NE  Sec 17

Twp  30

S. R. 33

660

feet from

N  /  S

E  /  W

Is SECTION Regular  Irregular?

(Note: Locate well on the Section Plat on reverse side)
County: Haskell
Lease Name: Earlene Black
Field Name: Lemon Victory
Is this a Prorated / Spaced Field? Yes  No
Target Formation(s): Morrow

Nearest Lease or unit boundary: 660' East
Ground Surface Elevation: 2962.5
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: 1  2
Length of Surface Pipe Planned to be set:
Length of Conductor Pipe required:
Projected Total Depth:
Formation at Total Depth:
Water Source for Drilling Operations:
DWR Permit #:

(Note: Apply for Permit with DWR)
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. 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 shall 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.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: November 22, 2004
Signature of Operator or Agent: [Signature]
Title: President

For KCC Use ONLY
API: # 15 - 081-21560-00-00
Conductor pipe required: None
Minimum surface pipe required: 700 feet per All.
Approved by: [Signature]
This authorization expires: [Date]
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: [Date]

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 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: [Date]
Signature of Operator or Agent: [Signature]

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202
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: Presco Western, LLC
Lease: Earlene Black
Well Number: 1-817
Field: Lemon Victory

Number of Acres attributable to well: 80
QTR / QTR / QTR of acreage: SE, NE

Location of Well: County: Haskell
2310 feet from ✓ N / S Line of Section
660 feet from ✓ E / W Line of Section
Sec. 17 Twp. 30 S. R. 33 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).