KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL

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

Expected Spud Date: November 8, 2004

OPERATOR: License # 32309
Name: Tesoro Western, LLC
Address: 1775 Sherman St., Suite #23950
Denver, Colorado 80203
Contact Person: Richard J Gray
Phone: 303-864-1816 ext 103

CONTRACTOR: License # 33375
Name: Cheyenne Drilling LP

Well Drilled For:

Oil [ ] Gas [ ] Enhanced Recovery [ ] Storage [ ] Other [ ]

Well Class:

Enh Rec [ ] Infield [ ] Mud Rotary [ ] Air Rotary [ ] Other [ ]

Type Equipment:

Disposal [ ] Pool Ext. [ ] Wildcat [ ] Cable [ ]

If OWWO: 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 #: __________________________

Spot
70' W 70'S 70'S CSW
Sec 8 Twp 28 S R 33
1250 feet from N S
1250 feet from E W
Is SECTION Regular [ ] Irregular [ ]
(Note: Locate well on the Section Plat on reverse side)

County: Haskell
Lease Name: Edna Cox
Well #: 1 - 138
Field Name: Hugo
Is this a Prorated / Spaced Field? [ ] Yes [ ] No
Target Formation(s): Chase
Nearest Lease or unit boundary: 1250' West & South
Ground Surface Elevation: 2985'
Water well within one-quarter mile: [ ] Yes [ ] No
Public water supply well within one mile: [ ] Yes [ ] No
Depth to bottom of fresh water: ______ feet MSL
Depth to bottom of usable water: ______ feet MSL
Surface Pipe by Alternate: [ ] 1 [ ] 2
Length of Surface Pipe Planned to be set: ______ feet
Length of Conductor Pipe required: None
Projected Total Depth: 2950'
Formation at Total Depth: Chase
Water Source for Drilling Operations: [ ] Well [ ] Farm Pond [ ] Other N/A
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 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 #123,881-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, notifty 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 29, 2004
Signature of Operator or Agent: ____________________________
Title: President

For KCC Use ONLY
API # 15: 081 - 2.1554.00 - 00
Conductor pipe required: ______ feet
Minimum surface pipe required: ______ feet per ACO
Approved by: ____________________________
This authorization expires: ____________________________
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: ____________________________
Agent: ____________________________

Mail to: KCC - Conservation Division, 130 S. Market - Room 2076, 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 - 081.21554.00-00
Operator:  Presco Western, LLC
Lease:    Edna Cox
Well Number:  1-138
Field:  Hugoton
Number of Acres attributable to well:  640
QTR / QTR / QTR of acreage:  70°W - 70°S - CSW

Location of Well:  County:  Haskell
1250 feet from N \ \ S Line of Section
1250 feet from E \ \ W Line of Section
Sec:  8   Twp.   28   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: (CG-7 for oil wells; CG-8 for gas wells).