NOTICE OF INTENT TO DRILL

Must be approved by KCC Ave (3) days prior to commencing work

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

For KCC Use Only

Date: 7/27/05

District # 3

SGA: No

Expected Spud Date: 8/1/05

OPERATOR: License # 32977
Name: Dorado Gas Resources, LLC
Address: 14550 E Easter Ave, Ste. 1000
Centennial, CO 80112
Contact Person: Beth Breithaupt
Phone: 303-227-7016

CONTRACTOR: License # 5766
Name: McConaughy Drilling

Well Drilled For: Well Class:

Type Equipment:

Oil: Infield: Mud Rotary
Gas: Storage: Pool Ext.: Air Rotary
DNWO: Disposal: Wildcat: Cable
Sewer: # of Holes: Other

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, true vertical depth:

Well: Farm Pond Other

KCC DKT:

RECEIVED

AFFIDAVIT

The undersigned hereby affirms that the drilling completion and eventual plugging of this well will comply with K.S.A. 55-5, 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 a 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 2 COMPLETION, production pipe shall be cemented from below any usable water to surface within 120 days of spud date.

Of pursuant to Appendix "B" - Eastern Kansas surface casing order #513(89/92) which applies to the KCC District 3 area, alternate 2 casing 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 herein are true and to the best of my knowledge and belief.

Date: 7/2/05
Signature of Operator or Agent:

Remember to:
- File Drill Pit Application (form CDF-1) with intent to Drill;
- File Completion Form AGO-1 within 120 days of spud date;
- File acreage assignment plate according to field pronation orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (OP-4) after plugging is completed;
- Obtain written approval before disposing or injecting salt water.

If this permit has expired (See authorized expiration dates please check the box below and return to the address below.

Well Not Drilled - Permit Expired
Signature of Operator or Agent:
Date:

For KCC Use Only

API # 15
N/A 200

Minimum surface pipe required: 20 feet per All.

Approved by: KSB/703CO-00

This authorization expires: 2/26/17

Spud date: Agent:
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

PLOT 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 2 miles of the boundaries of the proposed acreage attribution unit for oil wells.

API No. 15 - 
Operator: Doralco Gas Resources, LLC
Lease: Ladd
Well Number: 2-22
Field: Humboldt-Chaple

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

Location of Well: County: Woodson

<table>
<thead>
<tr>
<th>Location of Well:</th>
<th>County: Woodson</th>
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<tbody>
<tr>
<td>561</td>
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<tr>
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<td>Is Section:</td>
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<td>Section corner</td>
<td>22</td>
</tr>
<tr>
<td>NE NW SE SW</td>
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</tbody>
</table>

PLAT

(Show location of the well and acreage attributable acreage for prorated or spaced wells;
(Show footage in 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 (CD-7 for oil wells;