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

Expected Spud Date:
August 29, 2005

OPERATOR:
Name: Coral Production Corporation
Address: 1600 Stour Street, Suite 1500
DayState: Denver, Colorado 80202
Contact Person: Jim Hober
Phone: (303) 623-3673
Lic.: 32639

CONTRACTOR:
Name: Delamore, Inc.
Lic.: 27610

Expected Spud Date:
August 29, 2005

KCC Use Only
API:
API # 185-23328-00-00

Min. Subsurface depth required:
300

Attorney:

This application must be assigned.
2-26-05

The application will be drilled at least within 30 days of effective date.

Mail to: EDC - Conservation Division, 130 S. Market - Room 2709, Wichita, Kansas 67202

FORM D-1
September 1995
Form must be Typed
Form must be Signed
All blanks must be filled

A. Spud:
AP NE 51-51 SW Sec.

� Regular

B. Depth:
3200 ft.

C. Tie Line:
1000 ft.

D. Limited per这部 is on another page:
Stafford

E. Well Name:
McCoy

F. Is this a Proposed/Existing Field?
Yes [ ] No [ ]

G. Target Information:
Arbuckle [ ]

H. Ground Surface Elevation:
1930 feet

I. Surface Pipe by Alteration:
None [ ]

J. End of Surface Pipe Planned to be set:
None [ ]

K. Projected Total Depth:
3500 ft.

L. Water Source for Drilling Operations:
None [ ]

M. Other [ ]

N. Will Core be Hauled?
Yes [ ] No [ ]

O. Proposed Name:

RECEIVED
KANSAS CORPORATION COMMISSION
AUG 5 2005

CONSERVATION DIVISION
WICHITA, KS

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 requirements will be met:
1. Notice the appropriate district office prior to spudding of well;
2. A copy of the accrued notice of intent to drill shall be placed on each oiling 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 consolidated materials plus a minimum of 20 feet into the underlying formation;
4. If the well is in a hole, an alignment between the operator and the district office is to be noted 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 is COMPLETED, production pipe shall be cemented from before any visible water is surface within 15 days of spud date. In all cases, NOTIFY district office prior to any cementing;

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

Day: 08/24/05
Signature of Operator or Agent:
Title: President
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 completing 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 the wells and within 1 mile of the boundaries of the prorated acreage attribution line for gas wells and within 1/2 mile of the boundaries of the prorated acreage attribution unit for oil wells.

API No. 15:
Operator:
Lease:
Well Number:
Field:

Location of Well: County:

Section:

Town:

Range:

S. R.:

East
West

Is Section Regular or Irregular:

If Section is Irregular, locate well from nearest corner boundary.
Section corner used:

Note: In all cases locate the spot of the proposed drilling location.

NOTE: in plotting the proposed location of the well, you must show:
1. The manner in which you are using the descriptive plat by identifying section names, i.e., 1 section, 1 section with 2 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 prorated location is located within a prorated spaced field a certificate of acreage attribution plat must be attached (CD-7 for oil wells; CD-8 for gas wells).
August 26, 2005

Mr. Jim Weber
Coral Production Corporation
1600 Stout St, Ste 1500
Denver, CO  80202

RE: Drilling Pit Application
McGinty Lease Well No. 4
SE/4 Sec. 36-21S-14W
Stafford County, Kansas

Dear Mr. Weber:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed without slots; the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as the Hutchinson Salt section has been drilled through and displacement of the fluids into the reserve pit has occurred. The fluids should be removed again as soon as practical after drilling operations have ceased.

If production casing is set all completion fluids shall be removed on a daily basis.

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 225-8888 when the fluids have been removed. Please file form CDP-5, Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site: www.kcc.state.ks.us/conservation/forms.

A copy of this letter should be posted in the loghouse along with the approved Intent to Drill. If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,

Kathy Haynes
Environmental Protection and Remediation Department

cc: S Durant

Conservation Division, Siney State Office Building, 120 S. Market, Room 7078, Wichita, KS 67202-3802
Voice 316 337-6200  Fax 316 337-6211  www.kcc.state.ks.us