NOTICE OF INTENT TO DRILL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

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

Expected Spud Date: 1C-05

OPERATOR: 32309
Name: Precision Western, LLC
Address: 5480 Vantage, Suite 350
City/State/Zip: Boulder, CO 80301
Contact Person: Trish Glass
Phone: 303-444-8881
CONTRACTOR: 30606
Name: Muffin

Spud
C 5E SE SE Sec 2
28 B R 33

Foot

330 from N / S Line of Section
330 from E / W Line of Section

In SECTION: Regular Irregular

County: Haskell

Field Name: Huipoton

If this is a Potted / Spaced Field?
Target Formation(s): Morrow/Shelby

Nearest Lesser or unit boundary:

Ground Surface Elevation: 2070.48

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 Alternates:

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 #:

Will Core be taken?

If Yes, proposed zone:

submitted hereby affirms that the drilling 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 rousting rig;
3. The minimum amount of surface pipe as specified below shall be set by capping 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 log 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 #153.881-9, 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, NOTMPD will contact office prior to any cementing.

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

For KCC Use ONLY
API # 15:
Conductor pipe required:
Approved by:
This authorization expires:

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

Signature of Operator or Agent:
Title: Engineering/Geological Tech

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

Statement of Interest:

- File DR Illusion Application (form CDP-1) with Intent to Drill;
- File Completion Report (form ACD-1) within 120 days of spud date;
- File acreage attribution plot according to field proportion orders;
- Notify appropriate district office 48 hours prior to wherever or re-entry;
- Submit plugging report (form CR-4) after plugging is completed;
- Obtain written approval before disposing or injecting salt water.

If this permit has expired (file 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:

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

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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: Cox
Well Number: 6-P2-28-33
Fiscal: Hutton

Location of Well: County: [Hastel]
Location from
330
feet from
S
Line of Section

East

330
feet from
W
Line of Section

West

Sec.: 2
Twp.: 28
R.: 33
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 submitted: (CG-7 for oil wells; CG-8 for gas wells).
NOTICE TO OPERATORS DRILLING IN THE PANOMA-COUNCIL GROVE GAS POOL SPACED AREA

The enclosed intent is located within the Panoma-Council Grove gas pool spaced area. In May 1978, Panoma-Council Grove Proration Order (as amended), Docket No. 60,324-C (C-7058) under FINDINGS OF FACT AND LAW on page 31, the following language is stated that:

"The Commission finds that in order to prevent waste and protect correlative rights, the following stated rules pertaining to wells already completed, in the process of being drilled or for future wells to be drilled in the Panoma Council Grove Gas Pool Spaced area, and for wells producing from the Council Grove Formation outside of the Panoma Council Grove Gas Pool Spaced area within the Hugoton Gas Field, should be adopted."

1. "No dual completions between the Chase (Hugoton) and Council Grove Formations will be permitted for future wells drilled."
2. "Casing shall not be set above the top of the Council Grove Formation for a Council Grove producing well."
3. "The production casing of all new Council Grove wells should be cemented with a calculated volume of cement sufficient to encase the casing from the bottom of the casing to a point 50 feet above the Chase Formation."
4. "The casing shall be encased in cement in the interval between the base of the Council Grove and the top of the Chase Formation on all wells, irrespective of depth, completed below the Council Grove Formation, if they are located within the spaced area."
5. "The cement coverage hertofore required shall be confirmed by the running of a recognized survey, such as a temperature survey or cement bond log."

A copy of this survey and the cement ticket(s) showing that all cement work has been completed, must be filed with the ACO-1 Completion Report within 120 days from the wells "spud date."

Failure to comply with these provisions may cause the well to be shut-in until compliance has been achieved.

If you have any questions, please feel free to contact the Conservation Division's Production Department at (316) 357-6200.