NOTICE OF INTENT TO DRILL

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

Shidah

For KCC Use:

API no. 1-001-293/6-0000

KANSAS CORPORATION COMMISSION

OIL & GAS CONSERVATION DIVISION

Date: 10-17-05

Operators:

Licenses:

5786

Name: McGowan Drilling

Well Drilled For:

Type of Equipment:

Well No.:

Original Completion Date:

Original Total Depth:

Directional, Deviated or Horizontal wellbore?

Yes / No

Bottom Hole Location:

KCC DNR #:

SEE ATTACHED KC LETTER FOR DISPOSAL WELLS

THE UNDERSIGNED AFFIRMS THAT THE DRILLING, COMPLETION AND EVENTUAL PLUGGING OF THIS WELL WILL COMPLY WITH K.S.A. 55-38-6; 55-38-29;

IT IS AGREED THAT THE FOLLOWING MINIMUM REQUIREMENTS WILL BE MET:

1. The 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 site;

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 at least 20 feet below the surface casing;

4. If the well has dry hole, an agreement between the operator and the district office on plug length and placement is necessary prior to pluging;

5. The appropriate district office will be notified by phone that is either plugged casing is cementing is cemented in;

6. If an Alternate II Completion, surface pipe will be cemented from below any usable water to appropriate on plug length and placement is necessary prior to pluging;

7. Notify pursuant to Appendix: "P". Eastern Kansas surface casing order #183,891-C, which applies to the KCC District areas unless stated otherwise and cementing must be completed within 30 days of the spud date or the well will be plugged. In all cases, NOTIFY district office prior to cementing.

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

Date: 09/20/05

Signature of Operator or Agent:

Title: Exec. Asst.

Remember to:

1. File Drill Plan Application form (CDP-1) with intent to Drill;

2. File Completion Form (ACO-1) within 120 days of spud date;

3. File acreage attribution plot according to field production orders;

4. Notify appropriate district office 48 hours prior to workover or entry;

5. Submit plugging report (CP-4) after plugging is completed;

6. Obtain written approval before disposing of drilling salt water;

If this permit has expired (for 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:
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 non-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 -  Location of Well: County: Allen
Operator: Donado Gas Resources
Lease: Cress
Well Number: 2-23-SWD
Face: Wildcat

Number of Acres attributable to well: 40
QTR / QTR / QTR of acreage: NE, NW

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);
NOTICE TO OPERATORS FILING INTENT TO DRILL FOR DISPOSAL OR ENHANCED RECOVERY INJECTION WELLS, (CLASS II INJECTION WELL)

The attached approved Notice of Intent to Drill indicates the proposed well is to be used for injection. An approved “Intent to Drill” does not approve injection authority as a Class II Injection Well in Kansas.

Before any well is used for injection purposes, the operator must file an application for injection authority in accordance with K.A.R. 82-3-401 and provide notice in accordance with K.A.R. 82-3-402. The Conservation Division must issue a written permit granting the application before commencement of injection.

The Conservation Division requirements and restrictions associated with Class II Injection are identified in K.A.R. 82-3-400 et seq of our regulations. Associated regulations governing drilling, completion and injection applications may be found in K.A.R. 82-3-135, Table I, Table II, in the Cedar Hills Sandstone Moratorium, (Docket #156,397-C), and the Eastern Kansas Surface Casing Order, (Docket #135,891-C).

If you have questions regarding the approval of injection authority, an injection application may be filed as a “Design Approval” before actual drilling and completion of the well occurs. If you have any questions or concerns regarding Class II injection wells or regulations, call the Underground Injection Control Department at 316-337-6200.

Failure to obtain commission approval before beginning injection is punishable by a penalty, shut-in of the well or both.

Conservation Division, Francis State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3002
Voice 316.337.4204 Fax 316.337.4213 www.ks.gov