KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL
Must be approved by KCC five (5) days prior to commencing well

Shoal

Expected Spud Date: 1/30/05

OPERATOR: Licensee: 22977
Name: Donoso Gas Resources
Address: 14550 E Easter Ave, Ste 1000
City/State/Zip: Centennial, CO 80112
Contact: Steven Tedesco
Phone: 303-327-7016

CONTRACTOR: Licensee: 5796
Name: McCown Drilling

Well Located For: Well Class: Type Equipment:
Oil 6th Rec Intired Mud Rotary
Gas Storage Pool Ext. Air Rotary
OHNO Disposl Wildcat
Other
OWOW: Old well information as follows:
Original Completion Date: Original Total Depth:
Directional, Deviated or Horizontal well?
Yes No
If Yes, true vertical depth:
Bottom Hole Location:
KCC DKT #:

FORM OF NOTICE

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-25.09, 55-25.09a,
55-25.09b, 55-25.09c, 55-25.09d, 55-25.09e, 55-25.09f, 55-25.09g, 55-25.09h, 55-25.09i, 55-25.09j, 55-25.09k, 55-25.09l, and 55-25.09m.

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 to
   prevent unintended losses. A minimum of 20 feet into the underlying formation shall be set.
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 drilling:
5. If the appropriate district office will be notified before well is either drilled or plugged and cemented in;
6. If an alternative completion, production pipe shall be cemented from below any active water to surface within 120 days of spudding.
   Or pursuant to Appendix B - Eastern Kansas surficial casing order 1102, which applies to the KCC District 3 area, alternative II cementing
   must be completed within 30 days of the spudding or the well shall be plugged. In all cases, NOTIFY 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.

Signature of Operator or Agent: Date: 02/05

FOR KCC Use ONLY

API No: 001-28303-00-00
Conductor pipe required N Y
Minimum surface pipe required 20 feet per All. Y
Approved by
This authorization expires 3-23-06
(Date this authorization will expire if drilling not started within 6 months of issuance)

Remember to:
- File Drill Permit Application form CDP-1 with Intent to Drill;
- File Completion Form ACD-1 within 120 days of spudding;
- File pressure test casing test form according to field test order;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed;
- Obtain written approval for test disposing of injecting salt water;
- If this permit has expired (Get authorized expiration date) please check the box below and return to the address below.

Spud Date: 1/30/05

Signature of Operator or Agent: Date: 02/05
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 plot 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: Dorado Gas Resources
Lease: Cress
Well Number: 2-23
Field: Wildcat

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

Location of Well: County: Allen
644 feet from N Line of Section
2004 feet from E Line of Section
Sec. 23, Twp. 26S, R. 17, W. 6, 1/2

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.)

644

2004

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)

EXAMPLE

SEWARD CO.