KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

Expected Spud Date: January 4, 2006

OPERATOR: Licensed 32239
Name: Perez Western, LLC
Address: 5481 Vermont St, Topeka, KS 66609
City/State/Zip: Contact Person: Leonard Wilkerson
Phone: 913-444-5661
Lic.: 33375

If OWNED: and well information as follows:
Operator: Name: Dwayne L. Brown
Well Class: Off
Type Equipment: Mud Rotary

Directional, Deviated or Horizontal well?
If Yes, true vertical depth:

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Operator: Name: Dwayne L. Brown
Well Class: Off
Type Equipment: Mud Rotary

Directional, Deviated or Horizontal well?
If Yes, true vertical depth:

Bottom Hole Location:

KCC DEC. 2, 2005

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 15, et. seq.

It is agreed that the following minimum requirements will be met:
1. Notify the adjoinging district office prior to spudding of well;
2. A copy of the approved notice of intent to drill shall be posted on each casing rig;
3. The minimum amount of surface pipe as specified below shall be set by cementing cement to the top; in all cases authorization must be
   through all uncontrolled 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 as 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 II COMPLETION, production pipe shall be cemented from below the usable water to surface for 120 days of spud date.

In pursuit to Appendix B: Exempt Kansas surface casing order 133,897-C, 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, NOTICE 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.

Date: 12-16-05
Signature of Operator or Agent:

Remember to:
- File Drill Plan Application (Form CDP-1) with intent to Drill;
- File Completion Form ACC-1 within 120 days of spud date;
- File Appraisal Plan as per the construction orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
Submit plugging report (CDP), after plugging is completed;
- Obtain written approval before disposing or injecting salt water;
- If this permit has expired (See authorized expiration date) please check the box below and return to the address below:
- Well Not Drilled - Permit Expired
Signatory of Operator or Agent:

Mail To: KCC - Conservation Division, 130 S. Market - Room 3078, Wichita, Kansas 67202
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 page 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: Pecos Western, LLC
Lease: __________
Well Number: 20-07-30-33
File: Victory

Location of Well: Courtly, NW

Is Section: Regular or Irregular

Number of Acres attributable to well: 1.0
QTR / QTH / QTR of acreage: NW / NW

751' 

740'

7

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DEC 20 2005

CONSERVATION DIVISION
WICHITA KS

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 timbers, 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; CD-8 for gas wells.)
NOTICE TO OPERATORS DRILLING IN THE PANOMA-COUNCIL GROVE GROVE GAS POOL SPACED AREA

The enclosed intent is located within the Panoma-Council Grove gas pool space area. In May 1976, Panoma-Council Grove Proration Order (as amended), Docket No. 60,024-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 Yield, 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 500 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 space area."
5. "The cement coverage heretofore 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) 337-6200.

Conservation Division, Kansas State Office Building, 110 S. Market, Room 707B, Wichita, KS 67202 3802
Voice 316.297.6201 Fax 316.297.6211 www.kcc.state.ks.us