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

For KCC Use Only:

API # is: ORI-2165R-CO-00
Conductor pipe required: 760' feet
Minimum surface pipe required: 760' feet per Add X
Approved by: [Signature]

This authorization expires: 8-27-06
(This authorization will be void if not used within 6 months of effective date.)

Spud date: [Date]

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

Spud Data: March 3, 2006

OPERATOR: License 3209

Name: Preston Western, LLC
Address: 342 West Varnum, Suite 356
City/State/Zip: Boulder, CO 80301
Phone: 303-444-8881

CONTRACTOR: License 30066

Name: [Name]

Wildcat: Yes

Type Equipment: Mud Rotary

Well Depth: 482 feet

Well Inset: 3122 feet

% of Hole: Mud Rotary

Gas: Other

Storage: Other

GWD: Other

Seismic: Other

Other: Other

Well Drilled For: Oil

If Yes: Vertical depth: [Depth]

If No: Directional/Horizontal well: [Yes/No]

Well Name: [Well Name]

Original Completion Date: [Date]

Original Total Depth: [Depth]

Directional/Horizontal Well: [Yes/No]

Bottom Hole Location: [Location]

KCC DKT #: [Number]

FEB 2 4 2006

CONSOLIDATION DIVISION MAKITA

AFFIDAVIT

The undersigned hereby affirms that the well completion and eventual plugging of this well will comply with K.S.A. 55-3 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 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 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 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 any usable water to surface within 120 days of spud date.

Pursuant to Appendix "B", Eastern Kansas surface casing order #133,891-C, which applies to the KCC District 3 area, alternate #6 is mandatory and must be completed within 30 days of the spud date 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.

Date: 2-23-2006

Signature of Operator or Agent: [Signature]
Title: [Title]

Remember to:
- File Drill Plan Application (form CDP-1) with intent to Drill;
- File Completion Form (form KCO-1) within 120 days of spud date;
- File aerial photo confirmation before placing or injecting salt water;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (form CDP-6) 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 it to the address below.

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, 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 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 ½ mile of the boundaries of the proposed acreage attribution unit for oil wells.

API No. 15 _______________________
Operator: Presco Western, LLC
Lease: Flamingo
Well Number: 6-PI6-30-32
File #: Victory

Number of Acres attributable to well: 160
QTR / QTR / QTR of acreage: NE / SE / SE

Location of Well: County: Haskell
1122 feet from Line of Section
482 feet from Line of Section
Sec. 16 Rpt. 30 S. R. 32 E.
East / West

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.

RECEIVED
KANSAS CORPORATION COMMISSION
FEB 4 2006
CONSERVATION DIVISION
WICHITA KS

EXAMPLE

SEWARD CO.

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: (CO-7 for oil wells; CG-6 for gas wells).