KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
WELL PLUGGING APPLICATION

API # 15 - 003-24214-0000

Well Operator: KCM Exploration, LLC
KCC License #: 33138

Address: 1050 17th Street, Suite 975
City: Denver

State: CO Zip Code: 80265
Contact Phone: (303) 534 - 9513

Lease: Kueser
Well #: 27-43
Sec. 27 Twp. 19 S. R. 19

Spot Location / QQQQ County: Anderson

2300 Feet (in exact footage) From North / ✓ South (from nearest outside section corner) Line of Section (Not Lease Line)
660 Feet (in exact footage) From East / West (from nearest outside section corner) Line of Section (Not Lease Line)

Conductor Casing Size: 8 5/8" 32#
Surface Casing Size: 5 1/2" 15.5#
Production Casing Size: 5 1/2" 15.5#

List (ALL) Perforations and Bridgeplug Sets: 1046'-1047', 1065'-1067', 1073'-1075.5', 1085'-1087.5', 1118.5'-1087.5', 1118.5'-1122.5', 1125.5'-1128.5', 1130.5'-1132.5'

Elevation: 1000' T.D.: 1220' PBT: 1188' Anhydrite Depth: 135' (Stone Cornal Formation)

Condition of Well: ✓ Good Poor Casing Leak Junk in Hole

Proposed Method of Plugging (attach a separate page if additional space is needed): Circulate 60/40 Class A/Pozimix cement with 0.5 sacks cotton seed hulls from PBT to 800'; circulate 60/40 Class A/Pozimix cement from 800' to 4' below ground level; cut casing and weld steel plate 4' below ground level; grade surface level.

Is Well Log attached to this application as required? ✓ Yes No Is ACO-1 filed? ✓ Yes No

Plugging of this Well will be done in accordance with K.S.A. 55-101 et seq. and the Rules and Regulations of the State Corporation Commission.

Larry Bryant
Plugging Contractor: Consolidated Oil Well Services, Inc
Address: 115 North Oak Street
City / State: Garnett, KS
KCC License #: 31440

Date and Hour of Plugging (if known?):

Payment of the Plugging Fee (K.A.R. 82-3-118) will be guaranteed by Operator or Agent

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202
NOTICE OF RECEIPT OF WELL PLUGGING APPLICATION (CP-1)

Meritage KCM Exploration, LLC
Independence Plaza
1050 17th Street - Suite 975
Denver, CO 80265

April 13, 2006

Re: KUESER #27-43
API 15-003-24214-00-00
N2NESE 27-19S-19E, 2300 FSL 660 FEL
ANDERSON COUNTY, KANSAS

Dear Operator:

This letter is to notify you that the Conservation Division is in receipt of your plugging proposal, form CP-1, for the above-captioned well.

Your CP-1 has been reviewed by the Conservation Division central office for completeness and to verify license numbers. The plugging proposal will now be forwarded to the district office listed below for review of your proposed method of plugging.

Please contact the district office for approval of your proposed plugging method at least five (5) days before plugging the well, pursuant to K.A.R. 82-3-113 (b). If a workover pit will be used during the plugging of the well it must be permitted. A CDP-1 form must be filed and approved prior to the use of the pit.

The Conservation Division's review of form CP-1, either in the central or district office, does not include an inquiry into well ownership or the filing operator's legal right to plug the well.

This notice in no way constitutes authorization to plug the above-captioned well by persons not having legal rights of ownership or interest in the well. This notice is void after ninety (90) days from the above date.

Sincerely,

David P. Williams
Production Supervisor

District: #3
1500 W. 7th
Chanute, KS 67220
(620) 432-2300