NOTICE OF INTENT TO DRILL

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

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

For KCC Use:
Effective Date: 10-26-04
District #
SGA? □ Yes ☑ No

Expected Spud Date: November 1, 2004

OPERATOR: License# 32977
Name: Dorado Gas Resources LLC
Address: 14550 East Easter Ave., Ste 1000
City/State/Zip: Cantannial, CO 80112
Contact Person: Steven Tedesco
Phone: 720-889-0510

CONTRACTOR: License# 32854
Name: Gillick Drilling

Well Drilled For:
☑ Oil
☑ Gas
☑ Storage
☑ OWWO
☑ Seismic
☐ Other

Well Class:
☑ Infield
☐ Pool Ext.
☑ Wildcat
☐ Other

Type Equipment:
☑ Mud Rotary
☑ Air Rotary
☐ Cable

Spot

Sw. Sw. Sec. 11
Twp. 30
S. R. 8

☐ East
☐ West

660 feet from N / S Line of Section
660 feet from E / W Line of Section

Is SECTION ☑ Regular ☐ Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: Elk
Lease Name: Bannon Land & Cattle
Well #: 13-11
Field Name: wildcat
Is this a Prorated / Spaced Field? ☑ Yes ☐ No
Target Formation(s): Arbuckle

Nearest Lease or unit boundary: 660 FWL 660 FSL
Ground Surface Elevation: 1425 feet MSL
Water well within one-quarter mile: ☐ Yes ☑ No
Public water supply well within one mile: ☐ Yes ☑ No
Depth to bottom of fresh water: 300 feet
Depth to bottom of usable water: 450 feet
Surface Pipe by Alternate: ☑ 1 ☐ 2
Length of Surface Pipe Planned to be set: 450 feet
Length of Conductor Pipe required: None
Projected Total Depth: 3300 feet
Formation at Total Depth: Arbuckle

Water Source for Drilling Operations:
☑ Well ☑ Farm Pond ☐ Other

DWR Permit #: ☑ Yes ☐ No

(Note: Apply for Permit with DWR ☑ )

Will Cores be taken? ☑ Yes ☐ No
If Yes, proposed zone:

RECEIVED
KANSAS CORPORATION COMMISSION
JUN 03 2005

CONSERVATION DIVISION
WICHITA

AFFIDAVIT

The undersigned hereby affirms that proper completion and eventual plugging of this well will comply with K.S.A. 55 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 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.

Or pursuant to Appendix B* - Eastern Kansas surface casing order #133,891-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, 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: October 19, 2004
Signature of Operator or Agent: [Signature]
Title: Manager of Geology

Remember to:
- File Drill Pit Application (form CPD-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field proration orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) 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 Expiring
Signature of Operator or Agent: [Signature]
Date: [Date]

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