

For KCC Use: 12-4-2004
 Effective Date: 3
 District # 3
 SGA? Yes No

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL

Form C-1
 December 2002
Form must be Typed
Form must be Signed
All blanks must be Filled

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

Expected Spud Date January 25 2005
 month day year

Spot W/2W/2 S/2 NW SE Sec. 14 Twp. 26 S. R. 20 East West
1320 feet from N / S Line of Section
2240 feet from E / W Line of Section

OPERATOR: License# 33239 (5-30-05)
 Name: River Gas Chanute, LLC
 Address: 509 Energy Center Blvd Suite 804
 City/State/Zip: Northport, AL 35473
 Contact Person: Mike Chambers
 Phone: 205-345-9063

Is SECTION Regular Irregular?

CONTRACTOR: License# 32980 (1-30-05)
 Name: Pense Bros. Drilling Co., Inc.

Well Drilled For:	Well Class:	Type Equipment:
<input type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input type="checkbox"/> Infield
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input checked="" type="checkbox"/> Mud Rotary
<input type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input checked="" type="checkbox"/> Air Rotary
<input type="checkbox"/> Seismic; # of Holes	<input checked="" type="checkbox"/> Pool Ext.	<input type="checkbox"/> Cable
<input type="checkbox"/> Other	<input checked="" type="checkbox"/> Windcat	
	<input type="checkbox"/> Other	

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

County: Allen
 Lease Name: Ericson Well #: C3-14

Field Name: Cherokee Basin Coal Area

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Cherokee Coals

Nearest Lease or unit boundary: 400' W

Ground Surface Elevation: 1046 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: 100 +

Depth to bottom of usable water: 200 +

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 20+

Length of Conductor Pipe required: NONE

Projected Total Depth: 1150

Formation at Total Depth: Cherokee Coal

Water Source for Drilling Operations:

Well Farm Pond Other Neosho Water District - Tap

DWR Permit #: _____

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No

If Yes, proposed zone: _____

If OWWO: old well information as follows:

Operator: _____

Well Name: _____

Original Completion Date: _____ Original Total Depth: _____

Directional, Deviated or Horizontal wellbore? Yes No

If Yes, true vertical depth: _____

Bottom Hole Location: _____

KCC DKT #: _____

AFFIDAVIT

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NOV 18 2004

The undersigned hereby affirms that the drilling, 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:

CONSERVATION DIVISION

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.
 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: 11/16/04 Signature of Operator or Agent: David M. Chambers Title: Manager

For KCC Use ONLY	
API # 15 -	<u>001-29164.0000</u>
Conductor pipe required	<u>NONE</u> feet
Minimum surface pipe required	<u>20</u> feet per Alt. <u>2</u>
Approved by	<u>RJP 11-29-04</u>
This authorization expires:	<u>5-29-05</u>
<i>(This authorization void if drilling not started within 6 months of effective date.)</i>	
Spud date:	Agent:

Remember to:

- File Drill Pit Application (form CDP-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 Expired

Signature of Operator or Agent: _____

Date: _____

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

14
26
205

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 1/2 mile of the boundaries of the proposed acreage attribution unit for oil wells.

API No. 15 - _____
Operator: River Gas Chanute, LLC
Lease: Ericson
Well Number: C3-14
Field: Cherokee Basin Coal Area
Number of Acres attributable to well: _____
QTR / QTR / QTR of acreage: _____ - _____ - _____

Location of Well: County: Allen
1320 feet from N / S Line of Section
2240 feet from E / W Line of Section
Sec. 14 Twp. 26 S. R. 20 East West

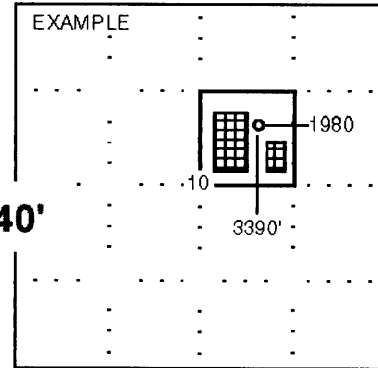
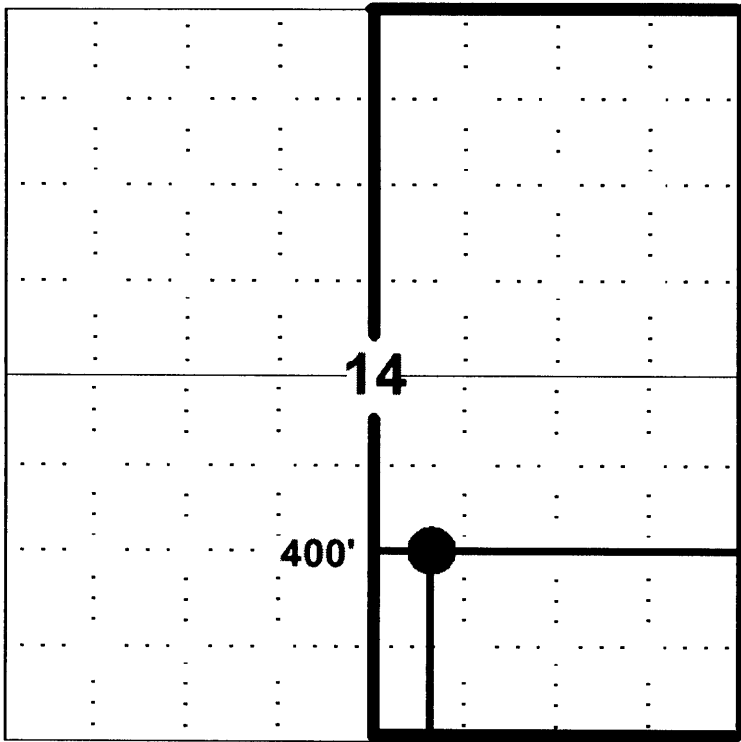
Is Section: Regular or Irregular

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.)*



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WICHITA, KS

NOTE: In all cases locate the spot of 1320' and 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: (CO-7 for oil wells; CG-8 for gas wells).