

PERMIT EXTENSION

Form C-1

December 2002

Form must be Typed

Form must be Signed

All blanks must be Filled

For KCC Use: Effective Date: 11.23.04 District #: 3 SGA? Yes No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

Ap 70'S § 160'E OF

Expected Spud Date January 20 2005

Spot N/2 NW NE Sec. 21 Twp. 26 S. R. 20 East West

OPERATOR: License# 33239 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

400 feet from N / S Line of Section 1820 feet from E / W Line of Section

Is SECTION Regular Irregular?

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

CONTRACTOR: License# 32980 Name: Pense Bros. Drilling Co., Inc.

County: Allen

Lease Name: Bauer Well #: A3-21

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'

Ground Surface Elevation: 985' 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: 110'

Depth to bottom of usable water: 200'

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 125'

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:

RECEIVED KANSAS CORPORATION COMMISSION

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 #: Permit extension request received May 11, 2005. New expiration date is Nov. 18 2005 (rjp/kcc)

AFFIDAVIT

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:

ALT-2 ONLY ALLEN CO.

NOV 18 2004

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;
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.

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 - 001-29156.00.00 Conductor pipe required NONE feet Minimum surface pipe required 20 feet per Alt. + (2) Approved by: RJP 11-18-04 L RJP S-11-05 This authorization expires: 5-18-05 / 11-18-05 (This authorization void if drilling not started within 6 months of effective date.) 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

21 26 20E