

PERMIT EXTENSION

For KCC Use: 11-23-04
 Effective Date: 3
 District # 3
 SGA? ☐ Yes ☒ No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

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

NOTICE OF INTENT TO DRILL

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

Expected Spud Date January 19 2005
 month day year

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

CONTRACTOR: License# 32980
 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"/> Wildcat	<input type="checkbox"/> Cable
<input type="checkbox"/> Other	<input type="checkbox"/> Other	

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)

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:

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>001-29158-00-00</u>
Conductor pipe required	<u>NONE</u> feet
Minimum surface pipe required	<u>20</u> feet per Alt.
Approved by	<u>25911-18-04 LRS/PS-11-05</u>
This authorization expires:	<u>5-18-05 / 11-18-05</u>
(This authorization void if drilling not started within 6 months of effective date.)	
Spud date:	Agent:

Spot N/2 N/2 SE East ☒ West ☐
~~E2~~ ~~NE~~ ~~SE~~ Sec. 21 Twp. 26 S. R. 20
2233 feet from ☐ N / ☒ S Line of Section
1311 feet from ☒ E / ☐ W Line of Section
 Is SECTION ☒ Regular ☐ Irregular?

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

County: Allen
 Lease Name: Jarred Well #: C4-21
 Field Name: Cherokee Basin Coal Area
 Is this a Prorated / Spaced Field? ☐ Yes ☒ No
 Target Formation(s): Cherokee Coal
 Nearest Lease or unit boundary: 407' N
 Ground Surface Elevation: 991 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: _____

AFFIDAVIT

RECEIVED

NOV 18 2004

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.

☐ 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 2005