

For KCC Use: 10-1805
 Effective Date: 3
 District # 3
 SGA? Yes No

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION

RECEIVED

SEP 12 2005

Form C-1
 December 2002

Form must be Typed
 Form must be Signed
 Blanks must be Filled

NOTICE OF INTENT TO DRILL

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

Expected Spud Date September 20 2005
month day year

OPERATOR: License# 33564
 Name: Coalbed Technology, LLC
 Address: 401 S. Boston Ave., Suite 3000
 City/State/Zip: Tulsa, OK 74103
 Contact Person: Bruce Galbierz
 Phone: 918 747-7771

CONTRACTOR: License# 32881
 Name: Faith Well Service, Inc.

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

If OWWO: old well information as follows:
 Operator: N/A
 Well Name: N/A
 Original Completion Date: N/A Original Total Depth: N/A

Directional, Deviated or Horizontal wellbore? Yes No
 If Yes, true vertical depth: 450'
 Bottom Hole Location: 500' FSL, 1333' FEL
 KCC DKT #: 06-CONS-046-CHOR
GRANTED 10-13-2005

Surface Location

Spot East West
 SE SE SE Sec. 20 Twp. 26 S. R. 23
 500' feet from N / S Line of Section
 500' feet from E / W Line of Section

Is SECTION Regular Irregular?
 (Note: Locate well on the Section Plat on reverse side)

County: Bourbon
 Lease Name: Martin Well #: 1H-20
 Field Name: Petersburg

Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Cherokee
 Nearest Lease or unit boundary: 500'

Ground Surface Elevation: 890' 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: 100' 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: 450'

Formation at Total Depth: Cherokee
 Water Source for Drilling Operations:
 Well Farm Pond Other Truck

DWR Permit #: N/A
 (Note: Apply for Permit with DWR)

Will Cores be taken? Yes No
 If Yes, proposed zone: N/A

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:

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: 8-31-2005 Signature of Operator or Agent: [Signature] Title: Consultant

For KCC Use ONLY
 API # 15 - 011-23/50-01-00
 Conductor pipe required NONE feet
 Minimum surface pipe required 20 feet per Alt. (2)
 Approved by: RJR 10-13-05
 This authorization expires: 4-13-06
 (This authorization void if drilling not started within 6 months of effective date.)
 Spud date: _____ Agent: _____
approval

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 2076, Wichita, Kansas 67202

20
26
23E

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: Coalbed Technology, LLC _____

Lease: Martin _____

Well Number: 1H-20 _____

Field: Petersburg _____

Number of Acres attributable to well: _____

QTR / QTR / QTR of acreage: SE - SE - SE

Location of Well: County: Bourbon _____

500' _____ feet from N / S Line of Section

500' _____ feet from E / W Line of Section

Sec. 20 Twp. 26 S. R. 23 East West

Is Section: Regular or Irregular

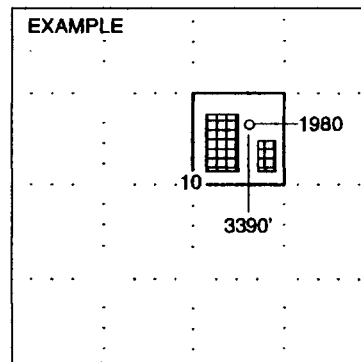
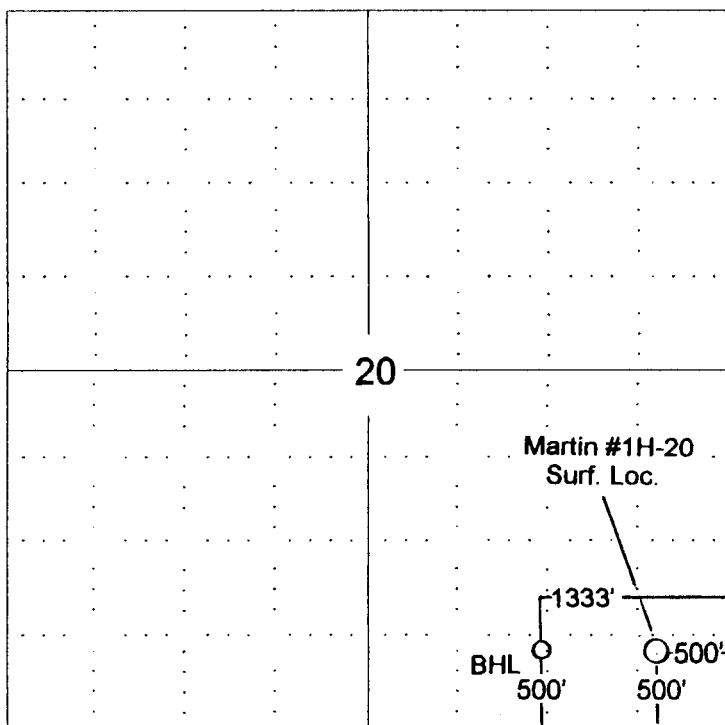
If Section is irregular, locate well from nearest corner boundary.

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.)



NOTE: In all cases locate the spot of the proposed 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).