

For KCC Use:
 Effective Date: 1-2-06
 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 3, 2006
 month day year
 OPERATOR: License# 33344
 Name: Quest Cherokee LLC
 Address: 9520 North May Avenue, Suite 300
 City/State/Zip: Oklahoma City, Oklahoma 73120
 Contact Person: Richard Marlin
 Phone: (405) 488-1304

Spot APP 140' west
 SW SW Sec. 36 Twp. 28 S. R. 18
 East
 West
660 feet from N / S Line of Section
520 feet from E / W Line of Section
 Is SECTION Regular Irregular?

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

County: Neosho
 Lease Name: Neely, William G. Well #: 36-2
 Field Name: Cherokee Basin CBM

Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Cherokee Coals

Nearest Lease or unit boundary: 520
 Ground Surface Elevation: 940 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: 25

Length of Conductor Pipe required: NONE
 Projected Total Depth: 1500

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

DWR Permit #: _____
 (Note: Apply for Permit with DWR)

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

CONTRACTOR: License# _____
 Name: Will advise on 1-2-06

ADVISE ON AGO MUST BE LICENSED WITH KCC

Well Drilled For: Well Class: Type Equipment:
 Oil Enh Rec Infield Mud Rotary
 Gas Storage Pool Ext. Air Rotary
 OAWO Disposal Wildcat Cable
 Seismic; _____ # of Holes Other
 Other Coalbed Methane

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

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: December 27, 2005 Signature of Operator or Agent: Richard Marlin Title: Vice President

For KCC Use ONLY
 API # 15 - 133-26421-0000
 Conductor pipe required NONE feet
 Minimum surface pipe required 20 feet per Alt. → ②
 Approved by: RSM 12-28-05
 This authorization expires: 6-28-06
 (This authorization void if drilling not started within 6 months of approval 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: _____

RECEIVED
KANSAS CORPORATION COMMISSION
DEC 28 2005
CONSERVATION DIVISION
WICHITA, KS

36
28
18

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plat of acreage attributable to a well in a prorated or spaced field

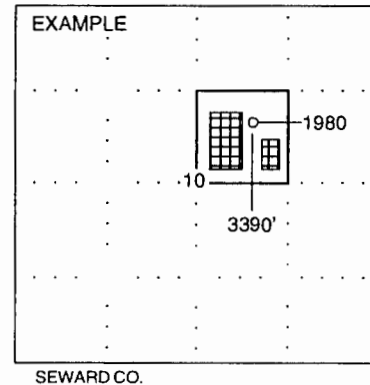
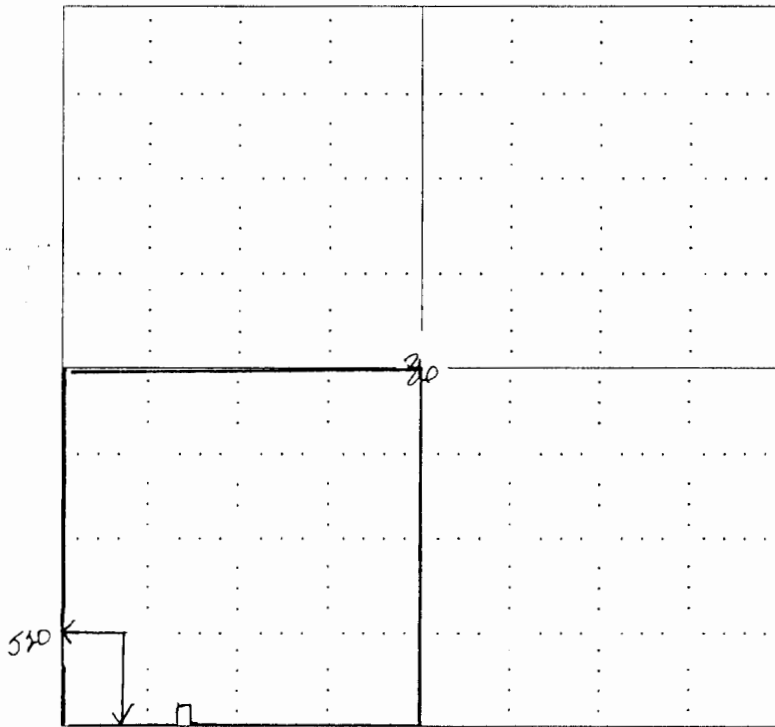
If the intended well is in a prorated or spaced field, please fully complete this side of the form. If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please 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: Quest Cherokee LLC
 Lease: Neely, William G.
 Well Number: 36-2
 Field: Cherokee Basin CBM
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: _____ - SW - SW

Location of Well: County: Neosho
 660 _____ feet from N / S Line of Section
 520 _____ feet from E / W Line of Section
 Sec. 36 Twp. 28 S. R. 18 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).