

CORRECTED

CORRECTED FOOTAGES

For KCC Use: 4-16-06
Effective Date: _____
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

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

Expected Spud Date April 10, 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) 286-9316

CONTRACTOR: License# Will be licensed by the KCC ✓
Name: Will advise on the ACO-1

| | | |
|---|-----------------------------------|--|
| 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"/> Mud Rotary |
| <input type="checkbox"/> OWWO | <input type="checkbox"/> Disposal | <input checked="" type="checkbox"/> Air Rotary ✓ |
| <input type="checkbox"/> Seismic; # of Holes _____ | <input type="checkbox"/> Wildcat | <input type="checkbox"/> Cable |
| <input checked="" type="checkbox"/> Other: <u>Coalbed Methane</u> | <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 #: _____

Spot NE SE SW Sec. 24 Twp. 29 S. R. 15 East West
1980 660 feet from N / S Line of Section
1980 feet from E / W Line of Section
Is SECTION Regular Irregular?

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

County: Wilson

Lease Name: Short, Sterling Well #: 24-1

Field Name: Cherokee Basin CBM

Is this a Prorated / Spaced Field? Yes No ✓

Target Formation(s): Cherokee Coals

Nearest Lease or unit boundary: 660

Ground Surface Elevation: 997 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: 280 150

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 25

Length of Conductor Pipe required: _____

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: _____

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* Was: 1980 FSL
IS: 660 FSL
APR 13 2006

**CONSERVATION DIVISION
WICHITA, KS**

AFFIDAVIT

**RECEIVED
KANSAS CORPORATION COMMISSION**

APR 07 2006

**CONSERVATION DIVISION
WICHITA, KS**

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 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: 4/3/06 Signature of Operator or Agent: Richard Marlin Title: VP

For KCC Use ONLY
API # 15 - 205-26520-0000
Conductor pipe required None feet
Minimum surface pipe required 20 feet per Alt. X(2)
Approved by: RMH 4-11-06 / RMH 4-18-06
This authorization expires: 10-11-06
(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: _____

24
29
15E

CORRECTED

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

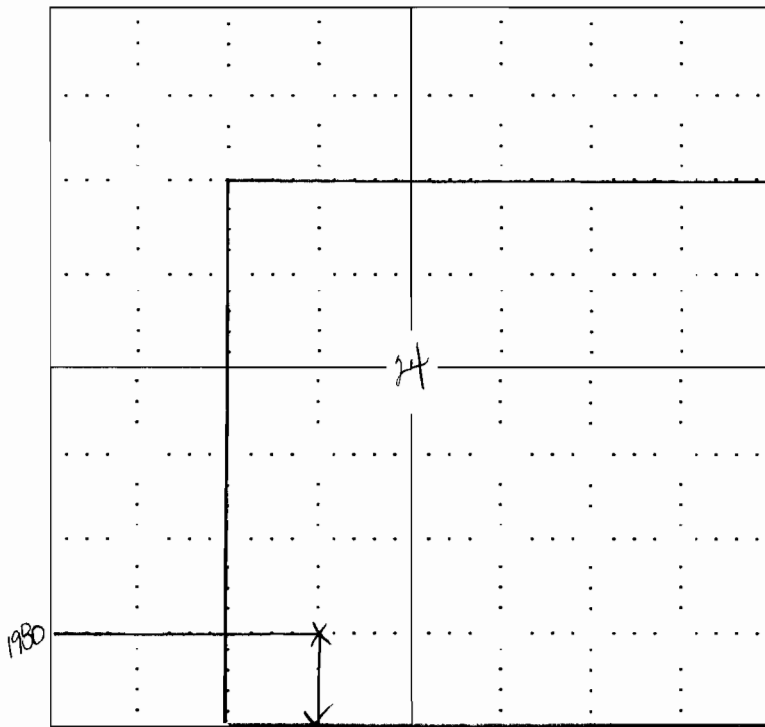
Plat of acreage attributable to a well in a prorated or spaced field

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 - 205-26520-0000 Location of Well: County: Wilson
 Operator: Quest Cherokee LLC * 660 feet from N / S Line of Section
 Lease: Short, Sterling 1980 feet from E / W Line of Section
 Well Number: 24-1 Sec. 24 Twp. 29 S. R. 15 East West
 Field: Cherokee Basin CBM
 Is Section: Regular or Irregular
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: _____ - SE - SW
 If Section is Irregular, locate well from nearest corner boundary.
 Section corner used: NE NW SE SW

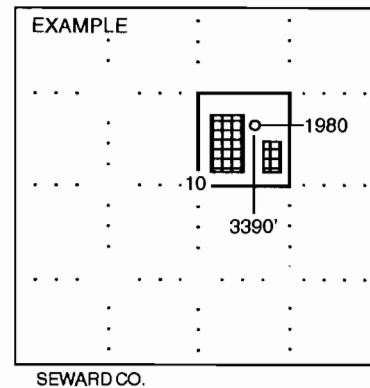
PLAT

*(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.

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APR 13 2006
CONSERVATION DIVISION
WICHITA, KS



In plotting the proposed location of the well, you must show:

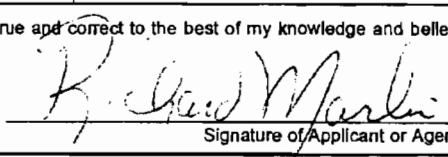
1. The manner in which you are using the depicted plat by identifying section lines, i.e. 1 section, 1 section with 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the section's south / north and east / west.
3. The distance to the nearest lease or unit boundary line.
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).

APR 07 2006

Submit in Duplicate

CONSERVATION DIVISION
WICHITA, KS

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| | | |
|--|--|--|
| Operator Name: Quest Cherokee LLC | | License Number: 33344 |
| Operator Address: 9520 North May Avenue, Suite 300 Oklahoma City, Oklahoma 73120 | | |
| Contact Person: Richard Marlin | | Phone Number: (405) 286 - 9316 |
| Lease Name & Well No.: Short, Sterling #24-1 | | Pit Location (QQQQ): _____ - _____ - NESE SW |
| Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <small>(If WP Supply API No. or Year Drilled)</small> | | Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: 300 (bbls) |
| Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small> |
| Is the bottom below ground level? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| How is the pit lined if a plastic liner is not used? | | |
| Pit dimensions (all but working pits): <u>30</u> Length (feet) <u>10</u> Width (feet) _____ N/A: Steel Pits Depth from ground level to deepest point: <u>10</u> (feet) | | |
| If the pit is lined give a brief description of the liner material, thickness and installation procedure. | | Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. Air Drilled Operation lasting approx 3 days |
| Distance to nearest water well within one-mile of pit <u>N/A</u> feet Depth of water well _____ feet | | Depth to shallowest fresh water _____ feet. Source of information: _____ measured _____ well owner _____ electric log _____ KDWR |
| Emergency, Settling and Burn Pits ONLY: Producing Formation: _____ Number of producing wells on lease: _____ Barrels of fluid produced daily: _____ Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No | | Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: <u>Air Drilled</u> Number of working pits to be utilized: <u>One</u> Abandonment procedure: <u>Air Dry, Back Fill and Cover</u> _____ Drill pits must be closed within 365 days of spud date. |
| I hereby certify that the above statements are true and correct to the best of my knowledge and belief. | | |
| <u>4/3/06</u> Date | |  Signature of Applicant or Agent |
| KCC OFFICE USE ONLY | | |
| Date Received: <u>4/7/06</u> Permit Number: _____ Permit Date: <u>4/7/06</u> Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | |

15-205-26520-0000

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