| District # 3 | PROPERTION COMMISSION SAS CORPORATION COMMISSION Form C-1 CONSERVATION DIVISION OF INTENT TO DRILL MAY 2 2006 Form must be Signed |
|--|---|
| SGA? Yes No NOTICE Must be approved by the | |
| Expected Spud Date May 9, 2006 month day year | All blanks must be Filled CCC five (5) days prior to commencing well Exparion DIVISION Spot Spot Sec. 15 Twp. 28 S. R. 16 West |
| OPERATOR: License# 33344 | 660 feet from N / V S Line of Section |
| Name: Quest Cherokee LLC | Teet from VE / W Line of Section |
| Address: 9520 North May Avenue, Suite 300 | ls SECTIONRegularIrregular? |
| City/State/Zip: Oklahoma City, Oklahoma 73120 Contact Person: Richard Marlin Phone: (405) 286-9316 | (Note: Locate well on the Section Plat on reverse side) County: Wilson Lease Name: Brown, Murray L. Well #: 15-1 |
| CONTRACTOR: License# Will be licensed by the KCC Name: Will advise on the ACO-1 | Field Name: Cherokee Basin CBM Is this a Prorated / Spaced Field? Target Formation(s): Cherokee Coals |
| Well Drilled For: Well Class: Type Equipment: Oil Enh Rec Infield Mud Rotary Gas Storage Pool Ext. Air Rotary OWNO Disposal Wildcat Cable Seismic; # of Holes Other Other Coalbed Methane | Nearest Lease or unit boundary: 660 Ground Surface Elevation: 1042 |
| If OWWO: old well information as follows: Operator: Well Name:Original Total Depth: | Length of Surface Pipe Planned to be set: 25 Length of Conductor Pipe required: Projected Total Depth: 1500 Formation at Total Depth: Cherokee Coals |
| Directional, Deviated or Horizontal wellbore? | Water Source for Drilling Operations: No |
| If Yes, true vertical depth: | DWR Permit #: |
| through all unconsolidated materials plus a minimum of 20 fe | AFFIDAVIT entual plugging of this well will comply with K.S.A. 55 et. seq. ; ed on each drilling rig; all be set by circulating cement to the top; in all cases surface pipe shall be set |

| Or pursuant to Appendix "B" - Eastern Kansas surface casing order | aged or production casing is cemented in; ted from below any usable water to surface within 120 days of spud date. #133,891-C, which applies to the KCC District 3 area, alternate II cementing 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 Date: 5/2/2006 Signature of Operator or Agent: | |
| For KCC Use ONLY API # 15 - 205 - 26598 - DOO Conductor pipe required None feet Minimum surface pipe required 20 feet per Alt. (2) | 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; |

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

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.

Date:

Well Not Drilled - Permit Expired Signature of Operator or Agent:

Approved by: Put 5-3-06

Spud date:_

This authorization expires: 11-3-06

(This authorization void if drilling not started within 6 months of approval date.)

Agent: _

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 -205-26593-0000 | Location of Well: County: Wilson |
|---------------------------------------|---|
| Operator: Quest Cherokee LLC | 660 feet from N / V S Line of Section |
| Lease: Brown, Murray L. | 660 Feet from E / W Line of Section |
| Well Number: 15-1 | Sec. 15 Twp. 28 S. R. 16 Vest |
| Field: Cherokee Basin CBM | |
| Number of Acres attributable to well: | 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.)

| 1 | | EXAMPLE : |
|-----|--|------------|
| | | 3390' |
| : : | | SEWARD CO. |

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.

NOTE: In all cases locate the spot of the proposed drilling locaton.

- · 3. The distance to the nearest lease or unit boundary line.
- 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).

KANSAS CORPORATION COMMISSION FORM CDP-1 OIL & GAS CONSERVATION DIVISION

April 2004 MAY 0 3 2006 Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

CONSERVATION DIVISION

| 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.: Brown, Mu | ırray L. #15- | -1 | Pit Location (QQQQ): | | |
| Type of Pit: | Pit is: | | <u>SE</u> <u>SE</u> | | |
| Emergency Pit Burn Pit | ✓ Proposed | Existing | Sec. 15 Twp. 28 R. 16 East West | | |
| Settling Pit | If Existing, date con | nstructed: | Feet from North / 🗹 South Line of Section | | |
| Workover Pit Haul-Off Pit | Pit capacity: | | Feet from 🗹 East / 🗌 West Line of Section | | |
| (If WP Supply API No. or Year Drilled) | | (bbls) | Wilson County | | |
| Is the pit located in a Sensitive Ground Water | Area? Yes | 1No | Chloride concentration: mg/l (For Emergency Pits and Settling Pits only) | | |
| Is the bottom below ground level? | Artificial Liner? | | How is the pit lined if a plastic liner is not used? | | |
| Yes V No | Yes V | lo | | | |
| Pit dimensions (all but working pits): | BO Length (fee | et)10 | l l | | |
| Depth fi | rom ground level to dee | epest point: | 10(feet) | | |
| If the pit is lined give a brief description of the material, thickness and installation procedure | I | | dures for periodic maintenance and determining | | |
| , mais in a | | | Operation lasting approx 3 days | | |
| | | of events and ofference and | | | |
| | | | | | |
| Distance to nearest water well within one-mile | e of pit | | west fresh waterfeet. | | |
| Source of information in the second s | | rration: redwell owner electric logKDWR | | | |
| Emergency, Settling and Burn Pits ONLY: | | | over and Haul-Off Pits ONLY: | | |
| | | al utilized in drilling/workover: Air Drilled | | | |
| | | king pits to be utilized: One | | | |
| Barrels of fluid produced daily: Abandonment | | procedure. Air Dry, Back Fill and Cover | | | |
| Does the slope from the tank battery allow all spilled fluids to flow into the pit? Yes No Drill pits must be | | pe closed within 365 days of spud date. | | | |
| I hereby certify that the above state | ements are true and co | orrect to the best | t of my knowledge and belief. | | |
| | \bigcirc | | | | |
| 5/2/2006 5. Gard Warm | | | | | |
| Prill 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. Signature of Applicant or Agent | | | | | |
| KCC OFFICE USE ONLY | | | | | |
| Date Received: 5/3/06 Permit Number: Permit Date: 5/3/06 Lease Inspection: Yes No | | | | | |