

For KCC Use: Effective Date: 7-16-07 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 July 18, 2007 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) 463-6880

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

Well Drilled For: Oil, Gas, OWWO, Seismic, Other Coalbed Methane. Well Class: Enh Rec, Storage, Disposal, Wildcat, Other. Type Equipment: Infield, Pool Ext, Wildcat, Mud Rotary, Air Rotary, Cable.

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 SW SW Sec. 35 Twp. 29 S. R. 18 East West. 700 feet from N S Line of Section. 700 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: Hutchens, Ray Well #: 35-2 Field Name: Cherokee Basin CBM Is this a Prorated / Spaced Field? Target Formation(s): Cherokee Coals Nearest Lease or unit boundary: 700 Ground Surface Elevation: 980 feet MSL Water well within one-quarter mile: Public water supply well within one mile: Depth to bottom of fresh water: 100 Depth to bottom of usable water: 200 150 Surface Pipe by Alternate: 1 2 Length of Surface Pipe Planned to be set: 25 Length of Conductor Pipe required: Projected Total Depth: 1300 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? If Yes, proposed zone:

AFFIDAVIT

RECEIVED KANSAS CORPORATION COMMISSION

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: July 10, 2007 Signature of Operator or Agent: Richard Marlin Title: VP

For KCC Use ONLY API # 15 - 133-27022-0000 Conductor pipe required None feet Minimum surface pipe required 20 feet per Alt. Approved by: [Signature] 7-11-07 This authorization expires: 1-11-08 (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:

35 29 18E

**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. 15 133-27022-0000  
 Operator: Quest Cherokee LLC  
 Lease: Hutchens, Ray  
 Well Number: 35-2  
 Field: Cherokee Basin CBM

Location of Well: County: Neosho  
 700 feet from  N /  S Line of Section  
 700 feet from  E /  W Line of Section  
 Sec. 35 Twp. 29 S. R. 18  East  West

Number of Acres attributable to well: \_\_\_\_\_  
 QTR / QTR / QTR of acreage: \_\_\_\_\_ - SW - SW

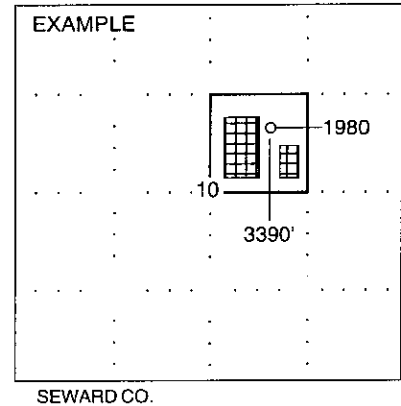
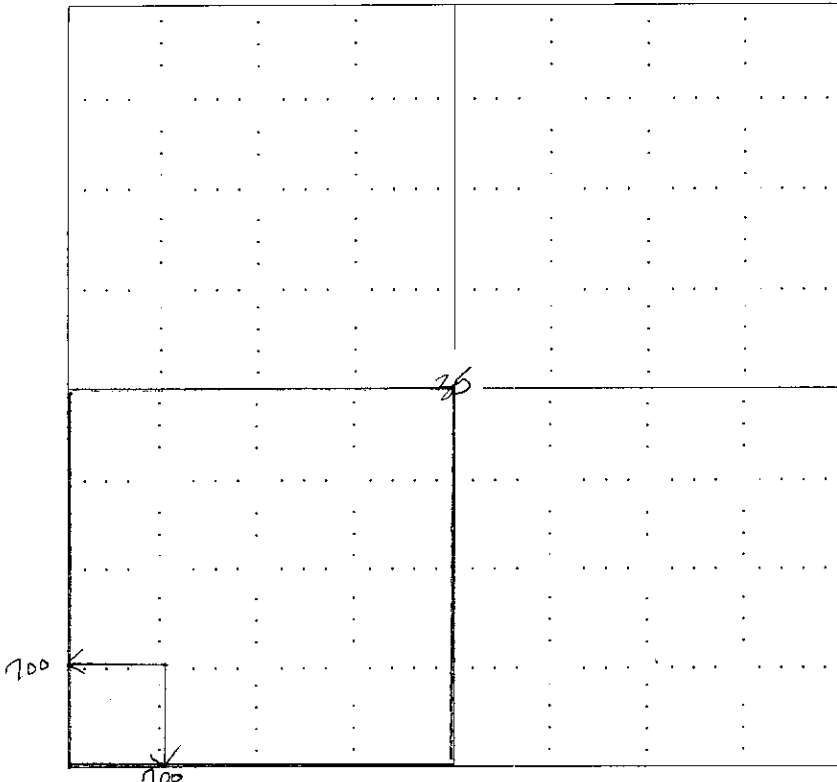
Is Section:  Regular or  Irregular

**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.**

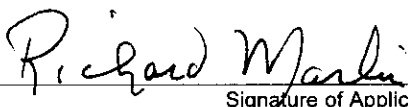
**In plotting the proposed location of the well, you must show:**

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).

**KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
APPLICATION FOR SURFACE PIT**

Form CDP-1  
April 2004  
Form must be Typed

*Submit in Duplicate*

|  |  |  |
|--|--|--|
| Operator Name: <b>Quest Cherokee LLC</b>   |  | License Number: <b>33344</b>   |
| Operator Address: <b>9520 North May Avenue, Suite 300 Oklahoma City, Oklahoma 73120</b>  |  |  |
| Contact Person: <b>Richard Marlin</b>  |  | Phone Number: ( <b>405</b> ) <b>463 - 6880</b>   |
| Lease Name & Well No.: <b>Hutchens, Ray #35-2</b>  |  | Pit Location (QQQQ):<br>_____ - _____ - <b>SW</b> - <b>SW</b><br>Sec. <b>35</b> Twp. <b>29</b> R. <b>18</b> <input checked="" type="checkbox"/> East <input type="checkbox"/> West<br><b>700</b> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section<br><b>700</b> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section<br><b>Neosho</b> County |
| Type of Pit:<br><input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit<br><input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit<br><input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit<br><small>(If WP Supply API No. or Year Drilled)</small> | Pit is:<br><input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing<br>If Existing, date constructed:<br>_____<br>Pit capacity:<br><b>300</b> (bbls) |  |
| Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   |  | Chloride concentration: _____ mg/l<br><small>(For Emergency Pits and Settling Pits only)</small>   |
| Is the bottom below ground level?<br><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No   | Artificial Liner?<br><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): <b>30</b> Length (feet) <b>10</b> Width (feet) _____ <b>N/A: Steel Pits</b><br>Depth from ground level to deepest point: <b>10</b> (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.<br><br><b>Air Drilling Operation lasting approx 3 days</b>   |
| Distance to nearest water well within one-mile of pit<br><b>NA</b> feet    Depth of water well _____ feet  |  | Depth to shallowest fresh water _____ feet.<br>Source of information:<br>_____ measured    _____ well owner    _____ electric log    _____ KDWR  |
| <b>Emergency, Settling and Burn Pits ONLY:</b><br>Producing Formation: _____<br>Number of producing wells on lease: _____<br>Barrels of fluid produced daily: _____<br>Does the slope from the tank battery allow all spilled fluids to flow into the pit? <input type="checkbox"/> Yes <input type="checkbox"/> No        |  | <b>Drilling, Workover and Haul-Off Pits ONLY:</b><br>Type of material utilized in drilling/workover: <b>Air Drilled</b><br>Number of working pits to be utilized: <b>One</b><br>Abandonment procedure: <b>Air Dry, Back Fill and Cover</b><br><br>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.  |  | <b>RECEIVED</b><br>KANSAS CORPORATION COMMISSION   |
| <b>July 10, 2007</b><br>Date   | <br>Signature of Applicant or Agent  | <b>JUL 11 2007</b><br>CONSERVATION DIVISION<br>WICHITA, KS   |

15-133-2702-000

**KCC OFFICE USE ONLY**

Date Received: **7/11/07** Permit Number: \_\_\_\_\_ Permit Date: **7/11/07** Lease Inspection:  Yes  No

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