

For KCC Use: Effective Date: 2-28-07 District # 3 SGA? Yes No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form C-1 December 2002

NOTICE OF INTENT TO DRILL

CORRECTED 7-2407

Form must be Typed Form must be Signed Tanks must be Filled

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

Expected Spud Date March 1, 2007

Spot SW NE Sec. 9 Twp. 27 S. R. 19 East West 1880 1900 feet from N / S Line of Section 1880 1900 feet from E / W Line of Section Is SECTION Regular Irregular?

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

County: Neosho Lease Name: Watkins, Beulabel R. Well #: 9-1 Field Name: Cherokee Basin CBM

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

Is this a Prorated / Spaced Field? Yes No Target Formation(s): Cherokee Coals Nearest Lease or unit boundary: 660 Ground Surface Elevation: 952 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: 150

Well Drilled For: Oil Gas OWWO Seismic; # of Holes Other Coalbed Methane Well Class: Enh Rec Storage Disposal Other Type Equipment: Infield Pool Ext. Wildcat Other 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 #:

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

RECEIVED KANSAS CORPORATION COMMISSION CONSERVATION DIVISION WICHITA, KS JUL 23 2007

* WAS: 1980' FHL, 1950' FEL IS: 1900' FHL, 1900' FEL

AFFIDAVIT

RECEIVED

KANSAS CORPORATION COMMISSION

FEB 23 2007

CONSERVATION DIVISION WICHITA, KS

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S. 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: February 22, 2007 Signature of Operator or Agent: Richard Marlin Title: VP

For KCC Use ONLY API # 15 - 133-26833-0000 Conductor pipe required None feet Minimum surface pipe required 20 feet per Alt. 1 2 Approved by: [Signature] This authorization expires: 8-23-07 (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 prorator 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 2078, Wichita, Kansas 67202

9 27 195

JUL 23 2007

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

CONSERVATION DIVISION
WICHITA, KS

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.

CORRECTED

API No. 15 - 13326833-0000
 Operator: Quest Cherokee LLC
 Lease: Watkins, Beutabel R.
 Well Number: 9-1
 Field: Cherokee Basin CBM
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: _____ - SW - NE

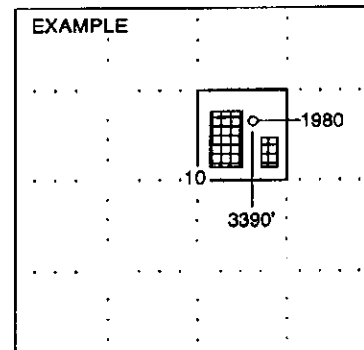
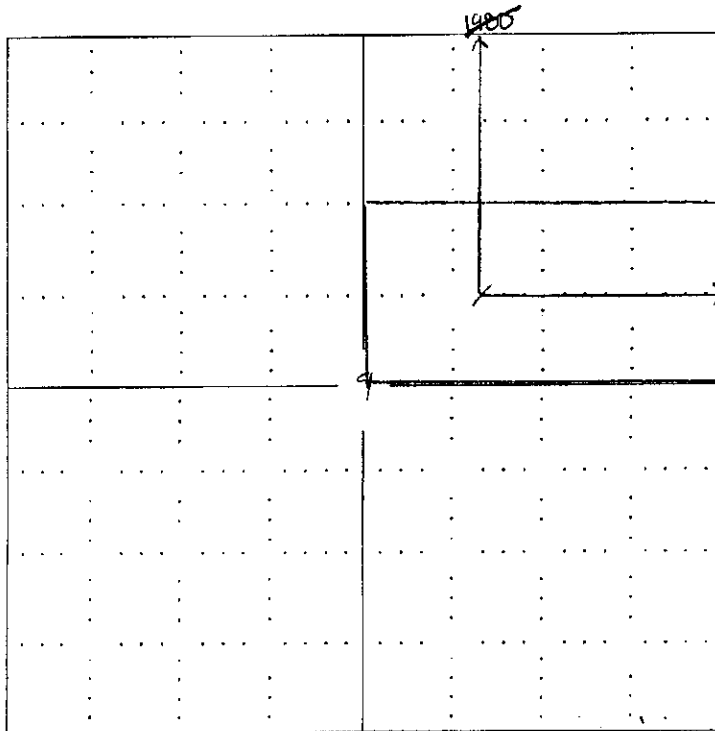
Location of Well: County: Neosho
1980 1900 feet from N / S Line of Section
1850 1900 feet from E / W Line of Section
 Sec. 9 Twp. 27 S. R. 19 East West

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).

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

RECEIVED

KANSAS CORPORATION COMMISSION

Form CDP-1

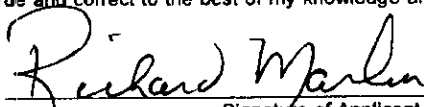
April 2004

Form must be Typed

JUL 23 2007

CONSERVATION DIVISION
WICHITA, KS

Submit in Duplicate

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.: Watkins, Beulabel R. #9-1		Pit Location (QQQQ): _____ SW _____ NE
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)	Sec. <u>9</u> Twp. <u>27</u> R. <u>19</u> <input checked="" type="checkbox"/> East <input type="checkbox"/> West <u>1980</u> 1900 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <u>1850</u> 1900 Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Neosho County
Is the pit located in a Sensitive Ground Water Area? <input 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 Drilling 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. KANSAS CORPORATION COMMISSION		
February 22, 2007 Date	 Signature of Applicant or Agent	RECEIVED FEB 23 2007 CONSERVATION DIVISION WICHITA, KS

CONNECTED

15-133-26833-000

KCC OFFICE USE ONLY			
Date Received: <u>2/23/07</u>	Permit Number: _____	Permit Date: <u>2/23/07</u>	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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