

OWWO (Deepen)

For KCC Use: Effective Date: 8-13-07 District # 3 SGA?  Yes  No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

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

NOTICE OF INTENT TO DRILL

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

Expected Spud Date August 15, 2007 month day year

OPERATOR: License# 33539 Name: Cherokee Wells, LLC Address: 4916 Camp Bowie Blvd., Suite 204 City/State/Zip: Fort Worth, TX 76107 Contact Person: Robert DeFeo Phone: 817-546-0032

CONTRACTOR: License# 33072 Name: Well Refined Drilling Co.

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

If OWWO: old well information as follows: Operator: Columbian Services Corp. Well Name: Demaranville #1 Original Completion Date: 10/10/80 Original Total Depth: 1627 Directional, Deviated or Horizontal wellbore? Yes No If Yes, true vertical depth: Bottom Hole Location: KCC DKT #:

Spot NE SW NW Sec. 3 Twp. 9 S. R. 20 1650 feet from N / S Line of Section 1100 feet from E / W Line of Section Is SECTION Regular Irregular?

(Note: Locate well on the Section Plat on reverse side) County: Leavenworth Lease Name: Demaranville Well #: 1 Field Name: Sampson Is this a Prorated / Spaced Field? Yes No Target Formation(s): McLouth Sandstone Nearest Lease or unit boundary: Wagner, Melvin 1100 Ground Surface Elevation: 1052.0 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: 220 Depth to bottom of usable water: 275 Surface Pipe by Alternate: 1 2 Length of Surface Pipe Planned to be set: Already set (60 feet) Length of Conductor Pipe required: none Projected Total Depth: 1750 Formation at Total Depth: Hunton Water Source for Drilling Operations: Well Farm Pond Other City Water DWR Permit #: (Note: Apply for Permit with DWR) Will Cores be taken? Yes No If Yes, proposed zone:

AFFIDAVIT

RECEIVED

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:

KANSAS CORPORATION COMMISSION

JUL 25 2007

- 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.

CONSERVATION DIVISION WICHITA, KS

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: 7/23/07 Signature of Operator or Agent: [Signature] Title: MANAGER

For KCC Use ONLY API # 15 - 103-20050-00-01 Conductor pipe required None feet Minimum surface pipe required 40 feet per Alt. Approved by: [Signature] 8-8-07 This authorization expires: 2-8-08 (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:

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

3 9 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*

**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 - 103-20050-00-01  
 Operator: Cherokee Wells, LLC  
 Lease: Demaranville  
 Well Number: 1  
 Field: Sampson  
 Number of Acres attributable to well: \_\_\_\_\_  
 QTR / QTR / QTR of acreage: NE - SW - NW

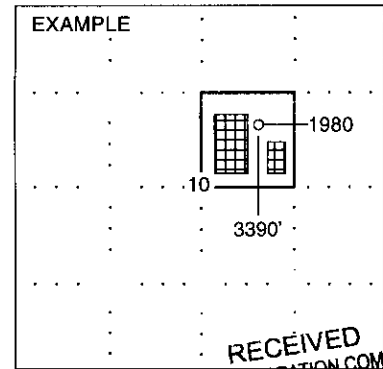
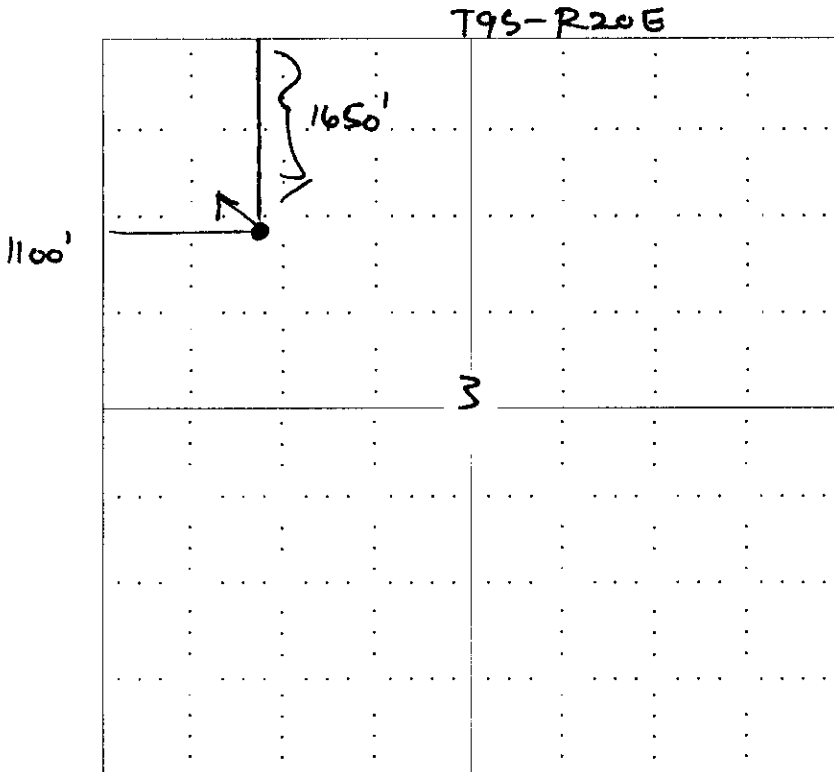
Location of Well: County: Leavenworth  
 1650 \_\_\_\_\_ feet from  N /  S Line of Section  
 1100 \_\_\_\_\_ feet from  E /  W Line of Section  
 Sec. 3 Twp. 9 S. R. 20  East  West

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: (C0-7 for oil wells; CG-8 for gas wells).

RECEIVED  
 SEWARD CO. KANSAS CORPORATION COMMISSION  
 JUL 25 2007

CONSERVATION DIVISION  
 WICHITA, KS

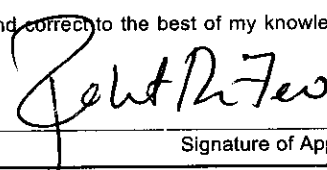
KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
**APPLICATION FOR SURFACE PIT**

AUG 06 2007

Form CDP-1  
April 2004  
Form must be Typed

CONSERVATION DIVISION  
WICHITA, KS

Submit in Duplicate

Operator Name: <b>Cherokee Wells, LLC</b>		License Number: <b>33539</b>	
Operator Address: <b>4916 Camp Bowie Blvd., Ste. 204, Ft. Worth, TX 76107</b>			
Contact Person: <b>Robert DeFeo</b>		Phone Number: ( <b>817</b> ) <b>546 - 0032</b>	
Lease Name & Well No.: <b>Demaranville #1</b>		Pit Location (QQQQ): <b>NE</b> - <b>NE</b> - <b>SW</b> - <b>NW</b> Sec. <b>3</b> Twp. <b>9S</b> R. <b>20</b> <input checked="" type="checkbox"/> East <input type="checkbox"/> West <b>1615</b> Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section <b>1079</b> Feet from <input type="checkbox"/> East / <input checked="" type="checkbox"/> West Line of Section <b>Leavenworth</b> County	
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 (If WP Supply API No. or Year Drilled)		Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: <b>400</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 (For Emergency Pits and Settling Pits only)	
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input 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? <b>Dirt</b>			
Pit dimensions (all but working pits): <b>15</b> Length (feet) <b>15</b> Width (feet) <b>N/A: Steel Pits</b> 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.	
Distance to nearest water well within one-mile of pit <b>N/A</b> City Water _____ feet    Depth of water well _____ feet		Depth to shallowest fresh water <b>100+</b> feet. Source of information: _____ measured    _____ well owner <input checked="" type="checkbox"/> electric log    _____ KDWR	
<b>Emergency, Settling and Burn Pits ONLY:</b> 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		<b>Drilling, Workover and Haul-Off Pits ONLY:</b> Type of material utilized in drilling/workover: <b>Fresh water</b> Number of working pits to be utilized: <b>One</b> Abandonment procedure: <b>Evacuate fluids, allow to dry, backfill to surface</b> 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.			
July 23, 2007 _____ Date		 _____ Signature of Applicant or Agent	

15-103-20050-00-01

KCC OFFICE USE ONLY			
Date Received: <b>8/6/07</b>	Permit Number: _____	Permit Date: <b>8/6/07</b>	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No



*Kathleen Sebelius, Governor  
Thomas E. Wright, Chairman  
Robert E. Krehbiel, Commissioner  
Michael C. Moffet, Commissioner*

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**NOTICE TO OPERATORS FILING INTENT TO DRILL  
FOR DISPOSAL OR ENHANCED RECOVERY  
INJECTION WELLS, (CLASS II INJECTION WELL)**

The attached approved Notice of Intent to Drill indicates the proposed well is to be used for injection. An approved "Intent to Drill" does not approve injection authority as a Class II Injection Well in Kansas.

Before any well is used for injection purposes, the operator must file an application for injection authority in accordance with K.A.R. 82-3-401 and provide notice in accordance with K.A.R. 82-3-402. The Conservation Division must issue a written permit granting the application before commencement of injection.

The Conservation Division requirements and restrictions associated with Class II Injection are identified in **K.A.R. 82-3-400 et seq** of our regulations. Associated regulations governing drilling, completion and injection applications may be found in K.A.R. 82-3-135, Table I, Table II, in the Cedar Hills Sandstone Moratorium, (Docket #156,397-C), and the Eastern Kansas Surface Casing Order, (Docket #133,891-C).

If you have questions regarding the approval of injection authority, an injection application may be filed as a "Design Approval" before actual drilling and completion of the well occurs. If you have any questions or concerns regarding Class II injection wells or regulations, call the Underground Injection Control Department at 316-337-6200.

Failure to obtain commission approval before beginning injection is punishable by a penalty, shut-in of the well or both.