

CORRECTED

\* 7-10-07 Lease name: Well#

CORRECTED

For KCC Use: Effective Date: 10-20-07 District #: 3 SGA? [X] 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: 10/19/07 month day year

Spot C-3/2 NW SE Sec. 29 Twp. 27 S. R. 15 1650 feet from N/S Line of Section 1980 feet from E/W Line of Section Is SECTION Regular Irregular?

OPERATOR: License# 33539 Name: Cherokee Wells, LLC Address: P.O. Box 296 City/State/Zip: Fredonia, KS 68738 Contact Person: Tracy Miller Phone: 620-378-3650

County: Wilson \*Lease Name: Burnt Hills Ranch Well # P-3 Field Name: Cherokee Basin Coal Gas Area

CONTRACTOR: License# 33072 Name: Well Refined Drilling

Is this a Prorated / Spaced Field? Target Formation(s): Mississippian Nearest Lease or unit boundary: 1850'

Well Drilled For: Oil Gas OWWO Selsmic Other Well Class: Enh Rec Storage Disposal Other Well Class: Infield Pool Ext Wildcat Other Type Equipment: Mud Rotary Air Rotary Cable

Ground Surface Elevation: 870.72 feet MSL Water well within one-quarter mile: Public water supply well within one mile:

If OWWO: old well information as follows:

Depth to bottom of fresh water: est. 100' Depth to bottom of usable water: est. 200'

Operator: Well Name: Original Completion Date: Original Total Depth:

Surface Pipe by Alternate: 1 2 Length of Surface Pipe Planned to be set: 20' Minimum Length of Conductor Pipe required: N/A Projected Total Depth: 1350'

Directional, Deviated or Horizontal wellbore? If Yes, true vertical depth: Bottom Hole Location: KCC DKT #:

Formation at Total Depth: Mississippian Water Source for Drilling Operations: Well Farm Pond Other DWR Permit #:

\* Was: Governor A-1 10: Burnt Hills Ranch P-3

AFFIDAVIT

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The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 KANSAS CORPORATION COMMISSION It is agreed that the following minimum requirements will be met:

OCT 15 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 casing shall be cemented 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: 10/12/07 Signature of Operator or Agent: Tracy Miller Title: Administrative Assistant

For KCC Use ONLY API # 15 - 205-27329-0000 Conductor pipe required None feet Minimum surface pipe required 20 feet per Alt. Approved by: 10-15-07 / KWS-7-10-07 This authorization expires: 4-15-08 (This authorization void if drilling not started within 6 months of approval date.) Spud date: Agent:

- Remember to: - File Drill Pt 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:

29 27 15E

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

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IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

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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 - 205-27329-0000

Operator: Cherokee Wells, LLC

Lease: Burnt Hills Ranch

Well Number: P-3

Field: Cherokee Basin Coal Gas Area

Number of Acres attributable to well:

QTR / QTR / QTR of acreage: C - S/2 - NW - SE

Location of Well: County: Wilson

1650 feet from N / S Line of Section

1980 feet from E / W Line of Section

Sec. 29 Twp. 27 S. R. 15 East West

Is Section: Regular or Irregular

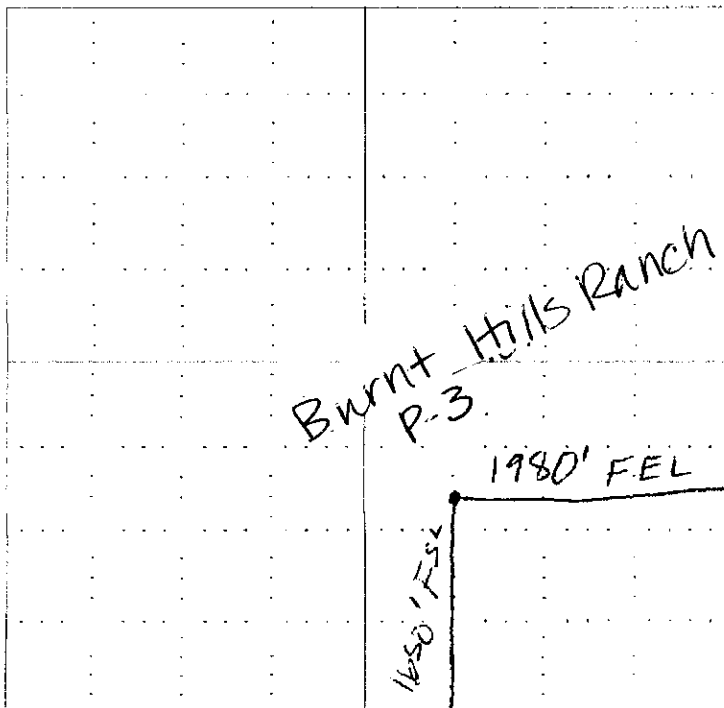
If Section is Irregular, locate well from nearest corner boundary.

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.

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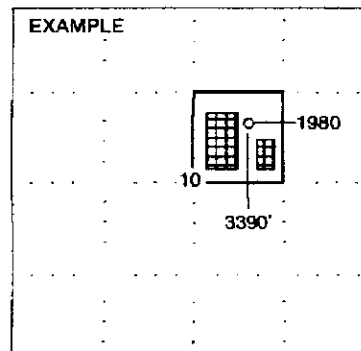
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In plotting the proposed location of the well, you must show:

- 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*

**CORRECTED**

Operator Name: <b>Cherokee Wells, LLC</b>		License Number: <b>33539</b>
Operator Address: <b>P.O. Box 296, Fredonia, KS 66736</b>		
Contact Person: <b>Tracy Miller</b>		Phone Number: ( <b>620</b> ) <b>378 3650</b>
Lease Name & Well No. <b>Burnt Hills Ranch P-3</b>		Pit Location (QQQQ): <b>C S/2 NW SE</b>
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: <b>800</b> (bbls)	Sec. <b>29</b> Twp. <b>27</b> R. <b>15</b> <input checked="" type="checkbox"/> East <input type="checkbox"/> West <b>1850</b> Feet from <input type="checkbox"/> North / <input checked="" type="checkbox"/> South Line of Section <b>1980</b> Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section <b>Wilson</b> County
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 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>Natural Clay &amp; Earth</b>
Pit dimensions (all but working pits): <b>30</b> Length (feet) <b>40</b> Width (feet) <b>N/A: Steel Pits</b> Depth from ground level to deepest point: <b>6</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.
		<b>RECEIVED</b> <b>KANSAS CORPORATION COMMISSION</b> <b>OCT 15 2007</b> <b>CONSERVATION DIVISION</b> <b>WICHITA, KS</b>
Distance to nearest water well within one-mile of pit <b>N/A</b> feet    Depth of water well _____ feet	Depth to shallowest fresh water <b>est. 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>Remove Fluids, Allow to Dry &amp; Level 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.		
_____ 10/12/07 Date	_____ <b>Tracy Miller</b> Signature of Applicant or Agent	

15-805-27329-000

<b>KCC OFFICE USE ONLY</b>			
Date Received: <b>10/15/07</b>	Permit Number: _____	Permit Date: <b>7/9/08</b> <b>10/15/07</b>	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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