

CORRECTED

*8-27-08

CORRECTED

For KCC Use: 7-1-08
Effective Date: 7-1-08
District #: 3
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form C-1
October 2007

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: _____ month _____ day _____ year

OPERATOR: License# 33539 ✓
Name: Cherokee Wells, LLC
Address 1: P.O. Box 296
Address 2:
City: Fredonia State: KS Zip: 66736
Contact Person: Tracy Miller
Phone: 620-378-3650

CONTRACTOR: License# 33072 ✓
Name: Well Refined Drilling

Well Drilled For: Oil Enh Rec Infield Mud Rotary
 Gas Storage Pool Ext Air Rotary
 Disposal Wildcat Cable
 Seismic: # of Holes Other
 Other:
 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 #: _____

*WAS: 660' FNL; NLUB: 660
IS: 690' FNL; NLUB: 690

Spot Description: _____
NW NW *Sec 33 Twp. 27 S. R 15 E W
660 feet from N S Line of Section
660 feet from E W Line of Section

Is SECTION: Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: Wilson ✓

Lease Name: G. Sharp 33 ✓ Well # A-5

Field Name: Cherokee Basin Coal Gas Area ✓

Is this a Protected Spaced Field? Yes No ✓

Target Formations: Mississippian ✓

* Nearest Lease or unit boundary line (in footage): 660 690

Ground Surface Elevation: 850 ✓ 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: est. 100'

Depth to bottom of usable water: est. 200' ✓

Surface Pipe by Alternate: I II ✓

Length of Surface Pipe Planned to be set: 20' Minimum ✓

Length of Conductor Pipe (if any): N/A ✓

Projected Total Depth: 1350' ✓

Formation at Total Depth: Mississippian ✓

Water Source for Drilling Operations: Well Farm Pond Other: ✓

DWR Permit #: _____

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No ✓

If Yes, proposed zone: _____

AFFIDAVIT

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KANSAS CORPORATION COMMISSION

JUN 25 2008

CONSERVATION DIVISION

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 correct to the best of my knowledge and belief.

Date: 6/23/08 Signature of Operator or Agent: Tracy Miller Title: Administrative Assistant

For KCC Use ONLY

API # 15: 205-27587-00-00

Conductor pipe required: none feet

Minimum surface pipe required: 20 feet per ALT I II

Approved by: [Signature] Date: 6-26-08

This authorization expires: 6-26-09
(This authorization void if drilling not started within 12 months of approval date)

Spud date: _____ Agent: _____

Remember to:

- File Drill Plan 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 production orders.
- Notify appropriate district office 48 hours prior to workover or re-entry.
- Submit plugging report (CP-1) after plugging is completed (within 60 days)
- 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 Date: _____
Signature of Operator or Agent: _____

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

AUG 25 2008

CONSERVATION DIVISION
WICHITA, KS

33
27
15

IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

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

CORRECTED

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 - 205-27587-00-00
Operator: Cherokee Wells, LLC
Lease: G. Sharp 33
Well Number: A-5
Field: Cherokee Basin Coal Gas Area

Location of Well County: Wilson
~~660~~ 690 feet from N / S Line of Section
660 feet from E / W Line of Section
Sec. 33 Twp. 27 S R. 15 E W

Number of Acres attributable to well: _____
QTR:QTR/QTR/QTR of acreage: NW NW

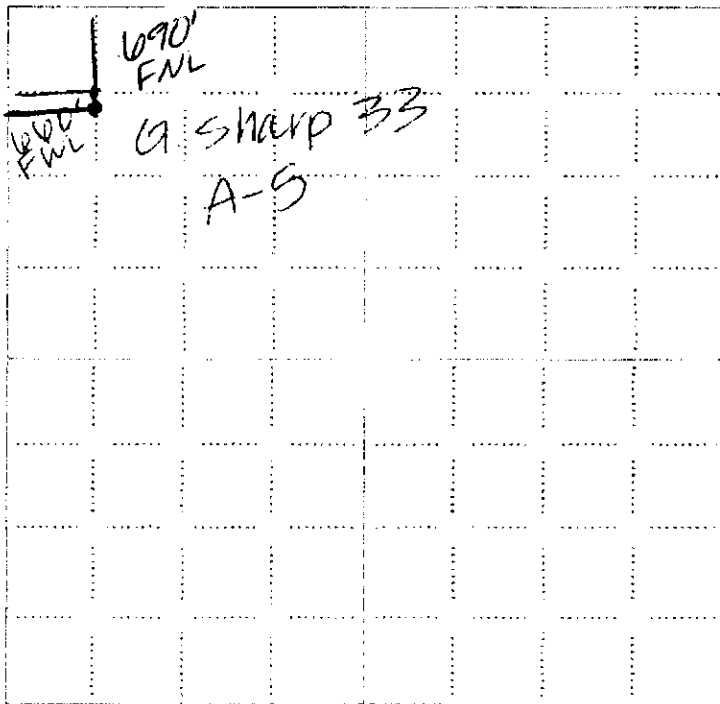
Is Section: Regular or Irregular

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

Section corner used: NE NW SE SW

PLAT

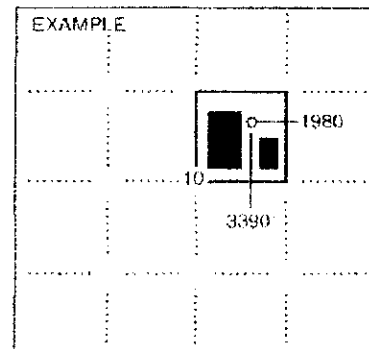
(Show location of the well and shade attributable acreage for prorated or spaced wells.)
(Show footage to the nearest lease or unit boundary line.)



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CONSERVATION DIVISION
WICHITA, KS



SEWARD CO

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 south / north and east / west outside section lines.
3. The distance to the nearest lease or unit boundary line (in footage).
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (CG-7 for oil wells; CG-8 for gas wells).

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AUG 25 2008

CONSERVATION DIVISION
WICHITA, KS

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

Form CDP-1
April 2004
Form must be Typed

CORRECTED

Submit in Duplicate

Operator Name: Cherokee Wells, LLC		License Number: 33539	
Operator Address: P.O. Box 296		Fredonia KS 66736	
Contact Person: Tracy Miller		Phone Number: 620-378-3650	
Lease Name & Well No.: G. Sharp 33 A-5		Pit Location (QQQQ): NW NW	
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: 800 (bbls)	
Is the pit located in a Sensitive Ground Water Area? <input checked="" type="checkbox"/> Yes <input 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? Natural Clay & Earth			
Pit dimensions (all but working pits): <u>30</u> Length (feet) <u>40</u> Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: <u>6</u> (feet) <input type="checkbox"/> No Pit			
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.	
		RECEIVED KANSAS CORPORATION COMMISSION AUG 25 2008 CONSERVATION DIVISION WICHITA, KS	
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 <u>100</u> feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input checked="" type="checkbox"/> electric log <input type="checkbox"/> 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>Fresh Water</u> Number of working pits to be utilized: <u>1</u> Abandonment procedure: <u>Allow to Dry, Level Surface</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.			
_____ Date		RECEIVED KANSAS CORPORATION COMMISSION JUN 25 2008 CONSERVATION DIVISION WICHITA, KS	
_____ Signature of Applicant or Agent		_____ Signature of Applicant or Agent	
KCC OFFICE USE ONLY			
Date Received: <u>6/25/08</u> Permit Number: _____		Steel Pit <input type="checkbox"/> RFAC <input checked="" type="checkbox"/> RFAS <input type="checkbox"/> Permit Date: <u>6/25/08</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

15-205-37507-00-00



Kathleen Sebelius, Governor
Thomas E. Wright, Chairman
Michael C. Moffet, Commissioner
Joseph F. Harkins, Commissioner

August 26, 2008

Cherokee Wells, LLC
PO Box 296
Fredonia, KS 66736

RE: Drilling Pit Application
G. Sharp 33 Lease Well No. A-5
NW/4 Sec. 33-27S-15E
Wilson County, Kansas

Dear Sir or Madam:

District staff has inspected the above referenced location and has determined that the reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, and the free fluids must be removed. The fluids are to be removed from the reserve pit as soon as practical after drilling operations have ceased.

If production casing is set all completion fluids shall be removed from the working pits daily. NO completion fluids or non-exempt wastes shall be placed in the reserve pit.

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 432-2300 when the fluids have been removed. Please file form CDP-5 (August 2004), Exploration and Production Waste Transfer, within 30 days of fluid removal. Conservation division forms are available through our office and on the KCC web site:
www.kcc.state.ks.us/conservation/forms.

A copy of this letter should be posted in the doghouse along with the approved Intent to Drill.

If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,

Kathy Haynes
Environmental Protection and Remediation Department

cc: File