

For KCC Use:
 Effective Date: 1-14-08
 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: Nov 11/15/08
 month day year

Spot Description:
 C - E2 - NW - NE Sec. 6 Twp. 28 S. R. 14 E W
 660 feet from N S Line of Section
 1,660 feet from E W Line of Section

OPERATOR: License# 33539
 Name: Cherokee Wells, LLC
 Address 1: P.O. Box 298
 Address 2:
 City: Frederia State: KS Zip: 68736
 Contact Person: Tracy Miller
 Phone: 620-378-3650

Is SECTION: Regular Irregular?
 (Note: Locate well on the Section Plat on reverse side)

CONTRACTOR: License# 33072
 Name: Well Refined Drilling

County: Wilson
 Lease Name: Reed Well #: A-2
 Field Name: Cherokee Basin Coal Gas Area

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

Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Mississippian
 Nearest Lease or unit boundary line (in footage): 660

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

Ground Surface Elevation: Unknown 920.18 feet MSL
 Water well within one-quarter mile: Yes No
 Public water supply well within one mile: Yes No

Directional, Deviated or Horizontal wellbore? Yes No
 If Yes, true vertical depth:
 Bottom Hole Location:
 KCC DKT #:

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: 40' 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

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with KCSA 15-01-2009
 It is agreed that the following minimum requirements will be met:

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 JAN 09 2008
 CONSERVATION DIVISION
 WICHITA, KS

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: 1/8/08 Signature of Operator or Agent: Tracy Miller Title: Administrative Assistant

For KCC Use ONLY
 API # 15 - 205-27409-0000
 Conductor pipe required None feet
 Minimum surface pipe required 40 feet per ALT I II
 Approved by: Permit 1-9-08
 This authorization expires: 1-9-09
 (This authorization void if drilling not started within 12 months of approval date.)
 Spud date: Agent:

Remember to:
 - File Drill Pit Application (form CDP-1) with Intent to Drill;
 - File Completion Form ACC-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-4) 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: 3/26/09
 Signature of Operator or Agent: Tracy Miller

KANSAS

CORPORATION COMMISSION

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

REQUEST FOR INFORMATION

March 11, 2009

CHEROKEE WELLS LLC -- KCC LICENSE # 33539
4916 CP BOWIE BLVD
STE 204
FT WORTH, TX 76107-4181

RE: API Well No. 15-205-27409-00-00
REED A-2
E2NWNE, 6-28S-14E
WILSON County, Kansas

Dear Operator:

According to KCC records, the Intent to Drill approved by the KCC Conservation Division on January 09, 2008, for the well listed above, has expired. The KCC has not received a spud call or an ACO-1 Completion Report on this well.

If drilling operations on the well never commenced, please check, sign and date below and return this letter to the KCC Wichita office in the enclosed return envelope.

Well not drilled: Signature Nancy Miller
Date: 3/26/09

If the well has been drilled, please submit the required ACO-1 Completion Report with all attachments for this well along with a copy of this letter to the KCC Wichita office.

In either case please provide the requested information within 30 days from the date of this letter. Pursuant to K.A.R. 82-3-128, failure to respond to this letter with the requested information may result in assessment of a monetary penalty of \$100.00. Failure to file the ACO-1 form, if applicable, may result in assessment of a monetary penalty of \$500.00.

We appreciate your cooperation in this matter. If you have any questions, please contact me at (316) 337-6200.

Very truly yours,

Steve Bond

Steve Bond
Production Department Supervisor

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JUL 16 2009
KCC WICHITA

CONSERVATION DIVISION
Finney State Office Building, 130 S. Market, Room 2078, Wichita, KS 67202-3802
(316) 337-6200 • Fax (316) 337-6211 • <http://kcc.ks.gov/>