

For KCC Use:

Effective Date:

District #

SGA? ☐ Yes ☒ NoKANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

Form C-1

October 2007

Form must be Typed

Form must be Signed

All blanks must be Filled

Expected Spud Date: 11/15/08
month day yearOPERATOR: License# 33539Name: Cherokee Wells, LLCAddress 1: P.O. Box 296

Address 2: _____

City: Fredonia State: KS Zip: 66736Contact Person: Tracy MillerPhone: 620-378-3650CONTRACTOR: License# 33072Name: Well Refined Drilling

Well Drilled For:

☐ Oil☒ Gas☐ Enh Rec☐ Storage☐ Disposal☐ Seismic☐ Other

of Holes

Well Class:

☒ Infield☐ Pool Ext.☐ Wildcat☐ Other

Type Equipment:

☐ 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 #: _____

Spot Description:

C - NW - SE - SW Sec. 31 Twp. 27 S. R. 14 ☒ E ☐ Wfeet from ☐ N ☒ S Line of Sectionfeet from ☐ E ☒ W Line of SectionIs SECTION: ☒ Regular ☐ Irregular?

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

County: WilsonLease Name: Reed Well #: A-1Field Name: Cherokee Basin Coal Gas AreaIs this a Prorated / Spaced Field? ☐ Yes ☒ NoTarget Formation(s): MississippianNearest Lease or unit boundary line (in footage): 890'Ground Surface Elevation: Unknown 950.9 feet MSLWater well within one-quarter mile: ☐ Yes ☒ NoPublic water supply well within one mile: ☐ Yes ☒ NoDepth to bottom of fresh water: est. 100'Depth to bottom of usable water: est. 200'Surface Pipe by Alternate: ☐ I ☒ IILength of Surface Pipe Planned to be set: 40' MinimumLength of Conductor Pipe (if any): N/AProjected 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 K.S.A. 55 et. seq. KANSAS CORPORATION COMMISSION

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: 11/8/08 Signature of Operator or Agent: Tracy Miller Title: Administrative Assistant

For KCC Use ONLY

API # 15: 205-27402-0000Conductor pipe required None feetMinimum surface pipe required 40 feet per ALT. ☐ I ☒ IIApproved by: Just 1-9-08This 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 ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field ploration 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.

☒ Well Not Drilled - Permit Expired Date: 3/26/09Signature of Operator or Agent: Tracy Miller

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

RECEIVED

KANSAS CORPORATION COMMISSION

JAN 09 2008

CONSERVATION DIVISION

WICHITA, KS

RECEIVED

Administrative Assistant

JUL 18 2009

KCC WICHITA

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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. 15-205-27402-00-00

REED A-1

NWSESW, 31-27S-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.

X 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

RECEIVED
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/>