

For KCC Use: 3-22-2010
 Effective Date: _____
 District #: 3
 SGA? Yes No

CORRECTED
 KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION

*CORRECTED 6/8/10
 OCT 2007
 Form must be Typed
 Form must be Signed
 Blanks must be Filled

NOTICE OF INTENT TO DRILL REGULATORY

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

Expected Spud Date: 05 01 2010
 month day year

OPERATOR: License# 34027
 Name: CEP Mid-Continent LLC
 Address 1: 15 West Sixth Street, Suite 1100
 Address 2: _____
 City: Tulsa State: OK Zip: 74070 + 5405
 Contact Person: Rodney Tate, D&C Engineer
 Phone: 918-877-2912, ext. 306

CONTRACTOR: License# 34126
 Name: Smith Oilfield Services, Inc.

Spot Description: _____
 _____ SW SE Sec. 6 Twp. 33 S. R. 17 E W
 (0000) 355 * 336 feet from N / S Line of Section
3,084 * 4,377 FWL feet from E / W Line of Section
 Is SECTION: Regular Irregular? No * YES

(Note: Locate well on the Section Plat on reverse side)
 County: Montgomery
 Lease Name: KNISLEY Well #: 6-8
 Field Name: Cherokee Basin Coal Area

Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Weir-Pitt, Rowe, Riverton Coals

Nearest Lease or unit boundary line (in footage): 355'
 Ground Surface Elevation: 804' GL (809' KB) 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: 100'
 Depth to bottom of usable water: 150'
 Surface Pipe by Alternate: I II
 Length of Surface Pipe Planned to be set: 20' est.

Length of Conductor Pipe (if any): None
 Projected Total Depth: 1100' KB
 Formation at Total Depth: Mississippi

Water Source for Drilling Operations:
 Well Farm Pond Other: City
 DWR Permit #: _____

(Note: Apply for Permit with DWR)
 Will Cores be taken? Yes No
 If Yes, proposed zone: _____

Well Drilled For: Oil Gas Enh Rec Storage Disposal Seismic; # of Holes _____ Other: _____
 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 #: _____

*WAS: 355' FSL; 3084' FEL
 IS: 336' FSL; 4377' FWL

AFFIDAVIT

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: 3/14/10 Signature of Operator or Agent: _____ Title: D & C Engineer

For KCC Use ONLY
 API # 15 - 125-31947-00-00
 Conductor pipe required None feet
 Minimum surface pipe required 20 feet per ALT. I II
 Approved by: Luna 3-17-2010 / Pms 6-14-2010
 This authorization expires: 3-17-2011
 (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 proration 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: _____
 Signature of Operator or Agent: _____

RECEIVED
 KANSAS CORPORATION COMMISSION
 JUN 10 2010
 CONSERVATION DIVISION
 WICHITA, KS

6
 33
 17
 E W

CORRECTED

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 6/8/10**

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 - _____
 Operator: CEP Mid-Continent LLC
 Lease: KNISLEY
 Well Number: 6-8
 Field: Cherokee Basin Coal Area

Number of Acres attributable to well: 627.5
 QTR/QTR/QTR/QTR of acreage: _____ - _____ - SW - SE

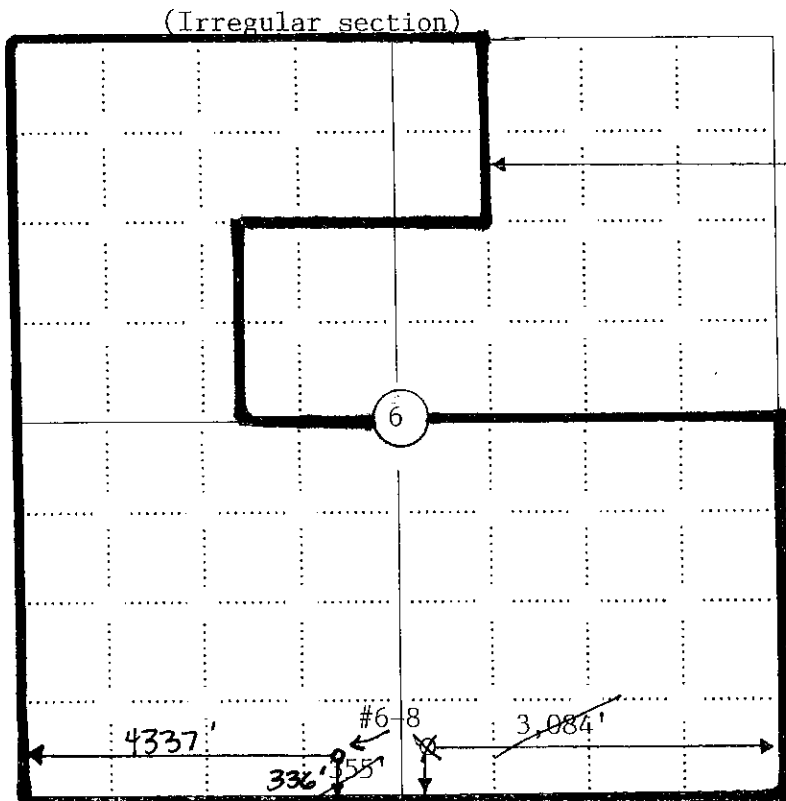
Location of Well: County: Montgomery
 355 * 336 feet from N / S Line of Section
 3,084 * 4,377 feet from E / W Line of Section
 Sec. 6 Twp. 33 S. R. 17 E W

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.)

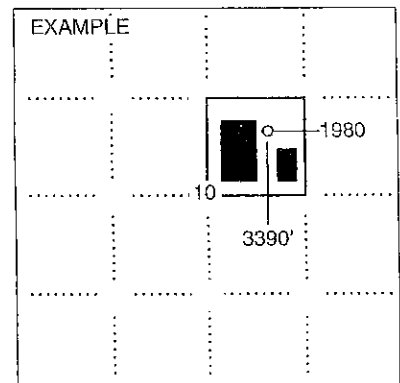


Lease boundary

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JUN 10 2010

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