NOTICE OF INTENT TO DRILL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

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

March 2004

3-15-04

RECEIVED

FEB 1 / 2004

KCC WICHITA

KCC District 3

NOTICE OF INTENT TO DRILL

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

Expected Spud Date: Mid March 2004

OPERATOR: License# 33300

Name: Evergreen Operating Corporation

Address: 1401 17th street Suite 1200

City/State/Zip: Denver, CO, 80202

Contact Person: Tom Erwin

Phone: 303 296-8100 ext 1330

CONTRACTOR: License Seal

Name: Ensign Drilling Co

Spots

AC N.E. NE W.E. S.W. Sec. 32 Twp. 18 S. R. 20 E. West

550 feet from N / S Line of Section
620 feet from E / W Line of Section

Is SECTION Regular / Irregular? Regular

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

County: Franklin

Lease Name: Short

Well #: 41-32

Field Name: Forest City Coal Gas Area

Is this a Prorated / Spaced Field? Yes / No

Target Formation(s): Cherry Group

Nearest Lease or unit boundary: 550'

Ground Surface Elevation: 1019

Water well within one-quarter mile: Yes / No

Public water supply well within one mile: Yes / No

Depth to bottom of fresh water: 200'

Surface Pipe by Alternate: 1 / 2

Length of Surface Pipe Planned to be set: 60

Length of Conductor Pipe required: None

Projected Total Depth: 1200

Formation at Total Depth: Cherry Group

Water Source for Drilling Operations: Well

DWR Permit #: N/A

Will Cores be taken? Yes / No

(Note: Apply for Permit with DWR)

If Yes, proposed zone: Coals & Shales

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 to the best of my knowledge and belief.

Date: 2/1/04

Signature of Operator or Agent:

Title:

For KCC Use Only

API # 15

Conductor pipe required: None

Minimum surface pipe required: 20 feet per Alt.

Approved by: RSP 3-10-04

This authorization expires: 9-10-04

Spud date: 3-15-04

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

Date: 3-18-20E
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW
Plat of acreage attributable to a well in a prorated or spaced field

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: Evergreen Operating Corporation
Lease: Short
Well Number: 41-32
Field: Forest City Coal Gas Area
Number of Acres attributable to well: _______________________
QTR / QTR / QTR of acreage: NE - NE - NE

Location of Well: County: Franklin
550 feet from N / S Line of Section
620 feet from E / W Line of Section
Sec. 32 Twp. 18 S. R. 20 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.

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