KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

For KCC Use:
Effective Date: 12-04-2004
District:
SGA? Yes No

Expected Spud Date: January 22, 2005

OPERATOR:
License#: 33239
Name: River Gas Chanute, LLC
Address: 509 Energy Center Blvd Suite 804
City/State/Zip: Northport, AL 35473
Contact Person: Mike Chambers
Phone: 205-345-9063

CONTRACTOR:
License#: 32980
Name: Penne Bros. Drilling Co., Inc.

Well Drilled For:
Oil
Gas
OWO
Seismic
Other

Well Class:
Enf Rec
Storage
Disposal
Mud Rotary
Air Rotary
Cable

Type Equipment:

If OWWO: old well information as follows:
Operator:
Well Name:
Original Completion Date:
Original Total Depth:

Directional, Deviated or Horizontal wellbore? Yes No

Bottom Hole Location:
KCC DKT #:

NOTICE

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 below 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: 11/16/04 Signature of Operator or Agent: David M. Chambers Title: Manager

RECEIVED
KANSAS CORPORATION COMMISSION
NOV 18 2004
CONSERVATION DIVISION
WICHITA, KS

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202
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: River Gas Chanute, LLC
Lease: Carlson
Well Number: C3-15
Field: Cherokee Basin Coal Area
Number of Acres attributable to well: __________________________
QTR / QTR / QTR of acreage: ________________________

Location of Well: County: Allen
920 feet from N / S Line of Section
2240 feet from E / W Line of Section
Sec. 15 Twp. 26 S. R. 20
East West
Is Section: X 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 920' used 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 (C0-7 for oil wells; CG-8 for gas wells).