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_[Signature]
District #______
SGA? [ ] Yes [x] No

Expected Spud Date: January 23, 2005

OPERATOR: License #: 33239
Name: River Gas Chanute, LLC
Address: 509 Energy Center Blvd Suite 804
Northport, AL 35473
Phone: 205-345-9063

CONTRACTOR: License #: 32906
Name: Pense Bros. Drilling Co., Inc.

Well Drilled For: Oil
Well Class: Enh Rec
Type Equipment: Mud Rotary

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

Directional, Deviated or Horizontal wellbore?
[ ] Yes [x] No
Bottom Hole Location:

KCC DKT: #2

Spot NE Sec. 15 Twp. 26 S. R. 20

Area in feet from N Line of Section
East 1820 West
South 400 North

Is SECTION Regular [ ] Irregular [x]

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

County: Allen
Lease Name: Jackson
Well #: C1-15
Field Name: Cherokee Basin Coal Area
Is this a Prorated / Spaced Field? [ ] Yes [x] No
Target Formation(s): Cherokee Coal

Nearest Lease or unit boundary:

Ground Surface Elevation: 884 feet MSL
Water well within one-quarter mile:
Public water supply well within one mile:
Groundwater sample:
Water well within one-quarter mile:
Surface Pipe by Alternate:
Length of Surface Pipe Planned to be set:

Projected Total Depth: 1150 ft
Formation at Total Depth:
Water Source for Drilling Operations:
DWR Permit #:

(Note: Apply for Permit with DWR)

Will Cores be taken?
[ ] Yes [x] 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.

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 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 a 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 surface to 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: 11/14/04 [Signature] David M. Chamber Title: Manager

For KCC Use ONLY

API #: 001-29/6300000
Conductor Pipe Required: [ ] None [x] 20 feet per Alt.
Approved by: [Signature]
This authorization expires: 3-29-05

(This authorization void if drilling not started within 6 months of effective date.)

Spud date: [ ] Well Not Drilled - Permit Expired

[ ] Yes [x] No
Signature of Operator or Agent:

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 ½ mile of the boundaries of the proposed acreage attribution unit for oil wells.

API No. 15 -
Operator: River Gas Chanute, LLC
Lease: Jackson
Well Number: C1-15
Field: Cherokee Basin Coal Area

Location of Well: County: Allen
1820 feet from □ N / □ S Line of Section
400 feet from □ E / □ W Line of Section
Sec. 15 Twp. 26 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.)

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).