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: 11-23-04
District # 3
SQA? Yes No

Expected Spud Date January 29, 2005

OPERATOR: License# 33239
Name: River Gas Chanley, 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: Penske Bros. Drilling Co., Inc.

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

Spot N/2 NE NW Sec. 14 Twp. 26 S. R. 20
East West

400 feet from N / S Line of Section
1820 feet from E / W Line of Section

Is SECTION Regular Irregular

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

County: Allen
Lease Name: Swanson,

Field Name: Cherokee Basin Coal Area

Is this a Prorated / Spaced Field?
Yes No

Target Formation(s): Cherokee Coal

Nearest Lease or Unit boundary: 400' N

Ground Surface Elevation: 1033 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:

Depth to bottom of usable water:

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 20+

Length of Conductor Pipe required:

Projected Total Depth: 1150

Formation at Total Depth: cherokee coal

Water Source for Drilling Operations:

DWR Permit: Neosho Water District - Tap

Will Cores be taken?

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 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.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: 11-23-04
Signature of Operator or Agent: David M. Chambers Title: Manager

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

For KCC Use ONLY
API # 15 - 001-2957.00-00
Conductor pipe required: None feet
Minimum surface pipe required: 20 feet per Alt + 20
Approved by: 20011124
This authorization expires: 2-15-04
(This authorization void if drilling not started within 6 months of effective 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;
- 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
Signature of Operator or Agent: Date:
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: Swanson
Well Number: A2-14
Field: Cherokee Basin Coal Area

Location of Well: County Allen

<table>
<thead>
<tr>
<th>400</th>
<th>1820</th>
</tr>
</thead>
<tbody>
<tr>
<td>feet from X N</td>
<td>S Line of Section</td>
</tr>
<tr>
<td>feet from E</td>
<td>W Line of Section</td>
</tr>
</tbody>
</table>

Sec 14  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.)

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)