KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL
Must be approved by KCC five (5) days prior to commencing well

SPUDDING DATE: January 6, 2005

OPERATOR: Licenses 33239
Name: River Gas Chanute, LLC
Address: 509 Energy Center Blvd Suite 804
City/State/Zip: Northport, AL 35473
Contact Person: Mike Farrans/Gary Cox
Phone: 205-752-3339

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

Well Drilled For: Gas
Well Class: Infield
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?
If Yes, true vertical depth:
Bottom Hole Location:
KCC DKT #:

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.

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

Date: _______2005_____
Signature of Operator or Agent: ____________________________
Title: __________________________

For KCC Use ONLY
API # 15 - 001 - 2917500.00
Conductor pipe required None feet
Minimum surface pipe required 20 feet per Alt. 0
This authorization expires 6/20/05
(This authorization void if drilling not started within 6 months of effective date.)
Spud date: ____________ 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 1/2 mile of the boundaries of the proposed acreage attribution unit for oil wells.

API No. 15 - 
Operator:  River Gas Chanute, LLC
Lease:  Stanley
Well Number:  A4-3
Field:  Cherokee Basin Coal Area

Location of Well:  County:  Allen
1000 feet from __XN / S Line of Section
550 feet from __XE / W Line of Section
Sec. 3  Twp. 26  S. R. 20  __X 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.)

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KANSAS CORPORATION COMMISSION
DEC 20 2004
CONSERVATION DIVISION
WICHITA, KS

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: (C0-7 for oil wells; CG-8 for gas wells).