For KCC Use:
Effective Date: 12-25-04
District #: 3
SGA? □ Yes □ No

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

Expected Spud Date January 10 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 Farrans/Gary Cox
Phone: 205-752-3339

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

Well Drilled For: Oil Gas Oowo Seismic: # of Holes Other
Well Class: Enh Rec Storage Disposal Wildcat Other

Spot 5/2 NW NE Sec 4 Twp 26 S R 20

Well Nformation:

Nearest Lease or unit boundary: 500' N
Ground Surface Elevation: feet MSL
Water well within one-quarter mile: feet
Public water supply well within one mile: feet

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

Directional, Deviated or Horizontal wellbore? □ Yes □ No
If Yes, true vertical depth:
Bottom Hole Location:
KCC DKT #:

K WAS: 5/2 NW NE IS: 5/2 NW NE

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: 12/16/04 Signature of Operator or Agent: DAVISM CHANDLER Title: Manager

Remember to:
- File Drill Plan 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 worker 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:

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