NOTICE OF INTENT TO DRILL

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

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

RECEIVED
KANSAS CORPORATION COMMISSION
DEC 20 2004

For KCC Use:
Effective Date: 1-8-05
District # 3
SGA? Yes No

January 11 2005

Expected Spud Date

operator:
License # 32329
Name: River Gas Channute, LLC
Address: 509 Energy Center Blvd Suite 804
City/State/Zip: Northport, AL 35473
Contact Person: Mike Farrens/Gary Cox
Phone: 205-752-3339

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

Well Drilled:

- Oil
- Gas
- Storage
- OWO
- Seismic
- Other

Well Class:
- Enh Rec
- Infield
- Wildcat
- Other

Type Equipment:
- Mud Rotary
- Air Rotary
- Cable

If OWO:

Original Completion Date:
Original Total Depth:

Directional, Deviated or Horizontal wellbeing?
Yes No

Well Name:

Well Dkt:

Spot

Northeast Land Ownership

Sec.

Twp.

R.

Feet from

N

S

E

W

Line of Section

Is SECTION

Regular

Irregular

(Note: Locate well on the section plat on reverse side)

County:

Lease Name:

Field Name:

Target Formation(s):

Nearest Lease or Unit Boundary:

Ground Surface Elevation:

Water well within one-quarter mile:

Public water supply well within one mile:

Depth to bottom of fresh water:

Depth to bottom of usable water:

Surface Pipe by Alternate:

Length of Surface Pipe Planned to be set:

Length of Condutor Pipe required:

Projected Total Depth:

Formation at Total Depth:

Water Source for drilling operations:

DWR Permit:

(Note: Apply for Permit with DWR)

Will Cores be taken?
Yes 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 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 spudding. 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:

Signature of Operator or Agent:

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

Remember to:
- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spudd 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:

3.26.05
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).