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:

District:

SGA:

Yes

No

Expected Spud Date: February 24, 2005

OPERATOR:

License:

Name:

Dail Cherokee Basin Operating Co. LLC

Address:

3541 County Rd 5400

City/State/Zip:

Contact Person:

Tony Williams

Phone:

520-331-7870

CONTRACTOR:

License:

5675

Name:

McpHERSON DRILLING

Well Drilled For:

Drill for Oil

Well Class:

N/A

Type of Well: N/A

Number of Wells:

1

If CWWO, Enter Initial 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: N/A

Bottom Hole Location: KCC DKT:

Note: Indicate on the Section Plan on reverse side

Is SECTION

Yes

No

Regular

Irregular

County:

Montgomery

Lessee Name:

Stare

Well No.

A3-5

Field Name:

Cherokee Basin Coal Gas Area

Target Information(s):

Mississippian

Nearest Lease or Unit boundary: 450 feet

Ground Surface Elevation: 962 feet

Well Water within one-quarter mile: 400 feet

Public water supply well within one mile: Yes

Depth to bottom of fresh water: 200 feet

Water supply depth to bottom of usable water: 200 feet

Surface Pipe by Alteration: 50 feet

Length of Surface Pipe Planned to be set: 20 feet

Formation at Total Depth:

Mississippian

Water Source for Drilling Operations:

Well

Farm Pond

Other

DNR Permit #:

Yes

No

Will Core be taken?

Yes

No

If Yes, proposed zone:

NOTE: If not core, enter螭 of proposed zone

FORM 0-1

December 2000

Form must be Typed

Form must be Signed

All blanks must be Filled

KCC DKT: 97-05-0004

For KCC Use ONLY

API #: 15 - 125-30718-0000

Conductor pipe required: Yes

Minimum surface pipe pressure 20 psi

Approved by:

08-27-05

This authorization expires:

08-27-05

Spud date:

Agent:

Signature of Operator or Agent:

Date:

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

RECEIVED:

FEB 17 2005

KCC WICHITA

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 used by circulating cement to the top; in all cases surface pipe shall be used 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 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.

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

Date:

February 14, 2005

Signature of Operator or Agent:

Tony Williams

Title: Regulatory & Safety Compliance Specialist
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: DeSoto Cherokee Basin Operating Co. LLC
Lease: 34-5
Well Number: A3-5
Field: Cherokee Basin Coal Gas Area
Number of Acres attributable to well: 40
QTR / QTR / QTR of acreage: NE NW NE
Location of Well: County: Montgomery
4820 FSL
1990 FEL

W Line of Section
S in T

East West

In 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-9 for gas wells).