NOTICE OF INTENT TO DRED

For KCC Use:
Effective Date: 3-13-05

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRED

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

Expected Spud Date: March 14, 2005

OPERATOR: License #: 33074
Name: Dick Cherokee Basin Operating Co., LLC
Address: 3511 County Rd 5400
City/State/Zip: Salina, KS 67401
Contact: Tiffany Williams
Phone: 520-331-7870

CONTRACTOR: License #: 55757
Name: McPherson Drilling

Well Drilled For: Spot
Well Class: NE NW NW
Type Equipment: 4120 FSL

Is SECTION: E F E

Count: Wame
Lease Name: S & F Hote
Field Name: Cherokee Basin Coal Gas Area
Is this a Prod. / Spaced Field? Yes
Target Information(s): Mississippian
Nearest Lease or unit boundary: 350 feet
Ground Surface Elevation: 844 feet
Water well within one-quarter mile: Yes
Public water supply well within one mile: Yes
Depth to bottom of fresh water: 400+ feet
Depth to bottom of usable water: 100+ feet
Surface Pipe by Alternate: 2
Length of Surface Pipe Planned to be: 40 MIN
Length of Conductor Pipe required: NONE
Projected Total Depth: 1504 feet
Formation at Total Depth: Mississippian
Water source for Drilling Operations: Well Farm Pond Other

Will Corne be taken? No

For KCC Use:
API #: Conductor pipe required: 15
Maximum surface pipe required: 0 feet per Art. 8
Approved to Spud date: 4/30/05

This authorization expires: 205-2-6002-00:00

(The authorization void if drilling not started within 30 days of spud date)

For KCC Use:

A P I #: 15
Conductor pipe required: NONE

Maximum surface pipe required: 0 feet per Art. 8
Approved to Spud date: 3/30/05

This authorization expires: 205-2-6002-00:00

(The authorization void if drilling not started within 30 days of spud date)

Remember to:
- File Drilling Authorization Form (CDP-1) with intent to drill
- File Completion Form (ACO-1) within 120 days of spud date
- Attach a job as per field operations orders
- Notify appropriate district office 48 hours prior to workover or re-entry
- Submit application report (CDP-10) after drilling is completed
- Obtain written approval before discharging or injecting salt water

If this permit has expired, any authorization for operations shall be cancelled

Date: 205-30-05

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

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KCC WICHITA
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 relation 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. 1:  
Operator: Dim Cherokee Basin Operating Co. LLC  
Lease: S & F Honey  
Well Number: A1-24  
Field: Cherokee Basin Coal Gas Area  
Number of Acres attributable to well: 40  
QTR / QTR / QTE of acreage: NE NW NW

Location of Well:  
County: Wilson  
Section 24  
Town 30  
Range 14E  
W Line of Section  
E Line of Section

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 house or unit boundary line.)

NOTE: In all cases locate the spot of the proposed drilling location, Wilson Co.

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 prorated drilling location from the section's south / north and east / west.

3. The distance to the nearest house 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 (CD-7 for oil wells; CG-8 for gas wells).

EXAMPLE

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MAR 8 2005

KCC WICHITA