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 Only

District # 3

SGA? Yes No

Effective Date 3-1-2006

OPERATOR:
License# 32044
Name: Quanit Chardes LLC
Address: 515 North May Avenue, Suite 300
City/Zip: Tulsa, OK 74120
Current Person: Richard Martin
Phone: (405) 488-1304

CONTRACTOR:
License# Will be licensed by the KCC
Name: Will advise on the AOC-1

Well Drilled For:
Well Class: Type Equipment:
Oil Spill #1
Gas Spill #2
Stump Spill #3
Pool Ext. Spill #4
Water Spill #5
Air Rotary #6
Cable #7

If OWNED: old well information as follows:

Operator:
Well Name:
Original Comparison Date:
Original Total Depth:
Directional, Deviated or Horizontal wellbore?
Yes No
If Yes, true vertical depth:
Bottom Hole Location:

KCC OKT #:

Spot NE NE Sec. 17 Twp. 25 S. R. 19

Is SECTION Regular Irregular?

(Note: Locate well on the Section Plan or survey map)

County: McIntosh

Lease Name: Pack; Gregory W.

Fuel Name: Cherokee Basin CRM

Is this a Premier / Special Field:

Target Formational: Cherokee Coals

Nearest Lease or unit boundary:

Ground Surface Elevation: 622

Water well within one-quarter mile:

Public water supply well within one mile:

Depth to bottom of fresh water:

Surface Pipe by Alternate: 1 2

Length of Surface/ Pipe Plan to be set:

Proportion Total Depth: 1500

Formation or Total Depth:

Water Source for Drilling Operations:

Well Farm Pond Other Air

DWR Permit #:

(Not: Apply for Permit with DWR)

Well to be taken?

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. 55-51 seq.

It is agreed that the following minimum requirements will be met:

1. Notify the appropriate diamictica prior to spudding of well.
2. A copy of the approved notice of intent to drill shall be posted on each drilling site.
3. The minimum amount of surface pipe as specified below shall be set by cementing contact to the top; in all cases surface pipe shall be set through an unconsolidated man-made 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 below surface up to a distance of 120 days of spud date.

Or pursuant to Appendix B-6, Eastern Kansas surface casing order #135,891-C, which applies to the KCC District 3 area, alternate casing must be completed within 30 days of the spud date or the well shall be plugged. In all cases, NDR and district office will verify compliaance.

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

Date: January 29, 2006

Signature of Operator or Agent:

Remember to:
- File and obtain the Application for COP-I with Intent to Drill.
- File Completion Form AOC-1 within 120 days of spud date.
- File Affidavit after testing to avoid question.
- 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 to: KCC - Conservation Division, 130 S. Market - Room 2079, Wichita, Kansas 67202

Mail to: KCC - Conservation Division, 130 S. Market - Room 2079, Wichita, Kansas 67202

Jan 32 84
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/or 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: Location of Well: County: Neosho
Operator: Quark Cherokee LLC
Lease: Peck, Gregory W.
WELL NUMBER: 17-1
Rat: Cherokee Basin CBM
Number of Acres attributable to well: 660
QTR / QTR / QTR of acreage: NE - NE
W / W of Section: 17
N / N of Section: 6
S / S of Section: 17
E / E of Section: 6
S / S of Section: 6
N / N of Section: 28
E / E of Section: 28

Is Section: □ Regular □ Irregular

If Section is Irregular, locate well from nearest corner boundary. Section corner used: □ NE □ NW □ SE □ SW

PLAT

(path 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, east, or 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-8 for gas wells).