

CORRECTIONS

For KCC Use: Effective Date: 7-10-06 District # 3 SGA? [X] 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

Form C-1 December 2002 Form must be Signed blanks must be Filled

CORRECTED

Expected Spud Date July 3, 2006 month day year

OPERATOR: License# 33342 Name: Blue Jay Operating, LLC Address: 4916 Camp Bowie Blvd., Suite 204 City/State/Zip: Fort Worth, TX 76107 Contact Person: Jimmy McGuire Phone: 405-279-4313

Spot N2 SW4 Sec. 8 Twp. 28 S. R. 15 East West Line of Section 1320' feet from N / S Line of Section 1320' feet from E / W Line of Section Is SECTION [X] Regular [] Irregular?

CONTRACTOR: License# 00500 / 33072 Name: Cherokee Wells, LLC Well Refined Drilling Co., Inc

County: Wilson Lease Name: F. Siewert Well #: A-9 Field Name: Cherokee Basin Coal Gas

Is this a Prorated / Spaced Field? [] Yes [X] No Target Formation(s): Mississippian Nearest Lease or unit boundary: 1320'

Well Drilled For: [X] Oil [] Gas [] OWO [] Seismic: # of Holes [] Other [] Enh Rec [] Storage [] Disposal [] Other [X] Infield [] Pool Ext. [] Wildcat [] Other [] Mud Rotary [X] Air Rotary [] Cable

Ground Surface Elevation: 839.8 feet MSL Water well within one-quarter mile: [] Yes [X] No Public water supply well within one mile: [] Yes [X] No

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

Depth to bottom of fresh water: 100+ Depth to bottom of usable water: 200+ Surface Pipe by Alternate: [] 1 [X] 2

Directional, Deviated or Horizontal wellbore? [] Yes [X] No

Length of Surface Pipe Planned to be set: 40' Minimum Length of Conductor Pipe required: None Projected Total Depth: 1350'

If Yes, true vertical depth: Bottom Hole Location: KCC DKT #:

Formation at Total Depth: Mississippian Water Source for Drilling Operations: [] Well [X] Farm Pond Other

DWR Permit #: Will Cores be taken? [] Yes [X] No If Yes, proposed zone:

Was 1930' FSL: IS 1980 FSL WAS: Lic # 33539 IS: 33072 AFFIDAVIT

WAS: Cherokee Wells LLC IS: Well Refined Drilling Co., Inc

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: June 26, 2006 Signature of Operator or Agent: Charlotte D. Keplart Agent

For KCC Use ONLY API # 15 - 205-26821-0000 Conductor pipe required None feet Minimum surface pipe required 20 feet per Alt. X2 Approved by: Rut 7-5-06 / Rut 7-13-06 This authorization expires: 1-5-07 (This authorization void if drilling not started within 6 months of approval date.) Spud date: Agent:

Remember to: - File Drill Pit Application (form GDP-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 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:

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

RECEIVED JUN 30 2006 KCC WICHITA RECEIVED JUL 13 2006 KCC WICHITA