

Correction

For KCC Use: Effective Date: 7-10-06 District # 3 SGA?  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 Typed and must be Signed and initialed by the Applicant

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

CONTRACTOR: License# 33539 Name: Cherokee Wells, LLC

Spot E2 SE4 SE4 Sec. 8 Twp. 28 S. R. 15 660' feet from N / S Line of Section 330' feet from E / W Line of Section Is SECTION Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: Wilson Lease Name: J. Siewert Field Name: Cherokee Basin Coal Gas Wall #: A-5 A-15

Is this a Prorated / Spaced Field? Target Formation(s): Mississippian Nearest Lease or unit boundary: 330' Ground Surface Elevation: 828.7 feet MSL Water well within one-quarter mile: Public water supply well within one mile: Depth to bottom of fresh water: 100+ Depth to bottom of usable water: 200+ Surface Pipe by Alternate: Length of Surface Pipe Planned to be set: 40' Minimum Length of Conductor Pipe required: None Projected Total Depth: 1350' Formation at Total Depth: Mississippian Water Source for Drilling Operations: Well Farm Pond Other DWR Permit #: Will Cores be taken? If Yes, proposed zone:

Well Drilled For: Oil Gas OWWO Seismic Other Well Class: Enh Rec Storage Disposal Other Well Equipment: Infield Pool Ext Wildcat Air Rotary Cable Mud Rotary

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

Directional, Deviated or Horizontal wellbore? If Yes, true vertical depth: Bottom Hole Location: KCC DKT #:

WAS: A-5 IS: A-15

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;
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.

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 - 205-26820-0000 Conductor pipe required None feet Minimum surface pipe required 20 feet per Alt. Approved by: Pat 7-5-06 / 7-13-06 This authorization expires: 1-5-07 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

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