

Contractor License #
CORRECTED
 Form C-1
 December 2002
 Form must be Typed
 Form must be Signed
 All blanks must be Filled

For KCC Use: 10-1606
 Effective Date: _____
 District # _____
 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

Expected Spud Date 10 25 2006
month day year

OPERATOR: License# 33857 ✓
 Name: BWB Operating, Inc.
 Address: P.O. Box 10105
 City/State/Zip: Liberty, TX 77575
 Contact Person: David Rice
 Phone: 620-624-0156

* CONTRACTOR: License# ~~33784~~ ✓ 33375
 Name: Cheyenne Drilling

Well Drilled For: Oil Gas OWWO Seismic; _____ # of Holes Other _____
 Well Class: Enh Rec Storage Disposal Other _____
 Type Equipment: Mud Rotary Air Rotary Cable Infield Pool Ext. Wildcat

If OWWO: old 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: _____
 Bottom Hole Location: _____
 KCC DKT #: _____

Spot East West
 NE SW NE Sec. 9 Twp. 26 S. R. 40
1758 feet from N / S Line of Section
1495 feet from E / W Line of Section
 Is SECTION Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)
 County: Hamilton
 Lease Name: Schmidt Well #: #9-1
 Field Name: Wildcat
 Is this a Prorated / Spaced Field? Yes No
 Target Information(s): Lower Morrow ✓
 Nearest Lease or unit boundary: 1495
 Ground Surface Elevation: 3442.6' feet MSL
 Water well within one-quarter mile: Yes No
 Public water supply well within one mile: Yes No
 Depth to bottom of fresh water: 180
 Depth to bottom of usable water: 720 ✓
 Surface Pipe by Alternate: 1 2
 Length of Surface Pipe Planned to be set: 1625' ✓
 Length of Conductor Pipe required: _____
 Projected Total Depth: 5750' ✓
 Formation at Total Depth: Lower Morrow ✓
 Water Source for Drilling Operations:
 Well Farm Pond Other Haul
 DWR Permit #: _____

(Note: Apply for Permit with DWR)
 Will Cores be taken? Yes No
 If Yes, proposed zone: _____

PRORATED & SPACED HUBBARD
 * WAS: Contractor License 33784 IS: 33375
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; 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: 10-04-06 Signature of Operator or Agent: David E Rice Title: Agent for BWB Operating, Inc.

For KCC Use ONLY
 API # 15 - 075-20831-0000
 Conductor pipe required None feet
 Minimum surface pipe required 740 feet per Alt. 1
 Approved by: Rut 10-11-06 / Rut 10-12-06 **OX**
 This authorization expires: 4-11-07
 (This authorization void if drilling not started within 6 months of effective date.)
 Spud date: _____ Agent: _____

Remember to:
 - File Drill Pit Application (form CDP-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
 OCT 10 2006
 KCC WICHITA