NOTICE OF INTENT TO DRILL

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

KANSAS CORPORATION COMMISSION
OIL AND GAS REGULATION DIVISION

Expected Spud Date: February 8, 2006

OPERATOR: Choice Resources, Inc.
Address: 45th Ave. SW, Dept. 244
City/State/Zip: Salina/KS 67401
Contact Person: Bob Scherer
Phone: 918-832-1480

CONTRACTOR: Newsom, Inc.
Name:Choice Resources, LLC

Well Drilled For:
- Gas
- Oil

Type Equipment:
- MD rotary
- MD

Gas Storage
- Liquid
- Storage
- Storage
- Existing
- New

Well Comm: 33232

Well: 8.0

Location:
- SE 29-11-12
- NW SE 29-12-12

Section: 29

Note: Location on the Section Plan on reverse side

Lease Name: Richardson

Field Name: Kansas Oil

Nearest Lease Line boundary:
- Yes
- No

Target Formation:
- Mississippian

Projected Total Depth:
- 1200 ft

Water Source for Drilling Operations:
- Well
- Farm Pond
- Other

WDP Permit A:
- Yes
- No

DWS Permit A:
- Yes
- No

Will Core be taken?
- Yes
- No

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 specified below shall be set by capping cement to the top; in all cases surface pipe will be set on or above the salt dome 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 license is surrendered;
6. If an ALTERATIVE COMPLETION, production pipe shall be cased below any usable water to surface within 720 days of spud date.

Of pursuant to Section 133-30-01, Kansas surface casing well, 120 days after spud date, the surface pipe shall be plugged. In all cases, NOTIFY district office prior to any cementing.

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

Date: 1/10/06

Signature of Operator or Agent

FOR KCC USE ONLY

For KCC Use Only
- API: 15 2 0 5 2 6 3 4 3 0 0 0

Conductor pipe required: NO

Minimum surface pipe required: 1000 ft

Approved by: 918-832-1480

This authorization expires:
- (This authorization will not expire within 6 months of approval date)

Spud Date: 2/8/06

Mail to: KCC - Conservation Division, 120 S. Mernet - Room 1079, Wichita, Kansas 67202

Mail or Fax

KCC- Wichita

RECEIVED
FEB 02 2006

Signature of Operator or Agent

Remember to:
- File Drill Plan Application (Form 35-CDP-1) with intent to Drill;
- File Completion Form, MCDB-1, within 120 days of spud date;
- File a record-keeping plan as directed by field protection orders;
- Notify appropriate district office all hours prior to whatever or re-entry;
- Submit plugging report (CP-4) after plugging is completed;
- Obtain written approval before discharging or injecting salt water.

If this permit has expired, please check the box below and return to the address below.
- Well not Drilled - Permit Expired

Agent Date

Mail or Fax
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 within 1 mile of the boundaries of the proposed acreage attributable unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage attribution unit for oil wells.

API No. 15 -
Operator: Blue Jay Operating, LLC
Lease: Richardson
Well Number: A-8
Field: Cherokee Basin Coal Gas
Number of Acres attributable to well: 50 acres
QTR / QTR / QTR of acreage: SW1, SE1, NE1

Location of Wall: County: Wilson
Line of Section: S, N 1/2, E, W 1/2
Line of Section: S, N 1/2, E, W 1/2

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

If 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 6 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the nearest south / north and east / west.
3. The corner(s) of the nearest lease or unit boundary line.
4. If the proposed location is located within a prorated or spaced field a certificate of acreage attributable unit for oil wells: OD-7 for oil wells; OD-8 for gas wells.

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