KANSAS CORPORATION COMMISSION
OIL & GAS/CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL

Must be approved by KCC 15 days prior to commencing well

September 27, 2005

For KCC Use:

Exercised Date: 09-27-05

Operated by: Blue Sky Operating, LLC

Address: 525 Camp Blvd., Suite 204

City/County: Fort Worth, TX 76107

Contact Person: Dan McNeel

Phone: 512-625-1400

Contractor: Licensed 333-39

Name: Cherokee Wells, LLC

Well Drilled For: Workover

Type Equipment:

Oil

Water

Gas

Cable

Water

Gas

Oil

Other

If Oil and Gas: all well information as follows:

Operator:

Well Name:

Original Completion Date:

Original Total Depth:

Directional Drilled:

Horizontal well yes/no:

If Yes, true vertical depth:

Return Hole Location:

KCC DWT:

Was/1

AFFIDAVIT - B: 09-27-05 0A1

The undersigned hereby affirms that the drilling, completion and offset well digging of this well will comply with K.S.A. 65 et seq.

1. That the approximate district office prior to spudding of well: The undersigned hereby affirms that the drilling, completion and offset well digging of this well will comply with K.S.A. 65 et seq.

2. A copy of the approved notice of intent to drill has been posted at each drilling rig.

3. The minimum amount of surface pipe as specified below shall be set by hauling cement to the top: In all cases surface pipe shall be set through an uncontaminated material plus a minimum of 20 feet into the underlying formation.

4. If the well is a dry hole, an agreement between the operator and the district office in plug length and placement to be mutually agreed upon at the time.

5. The approximate district office well will be drilled to bottom of well by either a pluged or production casing is cemented in.

6. If an ALTERNATE 1 COMPLETION; production pipe shall be cemented from below any unstable water to surface within 120 days of spud date.

7. Pursuant to Appendix B - Eastern Kansas surface casing order #120.981-C, #120 applies to the KCC District 3 area, thereafter it cementing must be completed within 30 days of the soul date or the well shall be plugged. In all cases, NOTIFY the 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: September 20, 2005

Signature of Operator or Agent:

Remember:

- File Drilling Application from Car (OP-1) with intent to drill within 120 days of spud date.
- File Completion Form KCC-1 within 10 days of soul date.
- File an amended application plan according to field instruction orders.
- Notify appropriate district office 48 hours prior to working or re-entry.
- Submit plugging report (OP-4) after plugging is completed.
- Certify written agreement if using drilling or injecting salt water.
- If this is a new well then notify the district office of the proposed well.

Received:

Signature of Operator or Agent:

KCC: 0C-20-12-10-0A1

Memorandum to: KCC - Conservation District, 136 S. Market - Room 976, Wichita, Kansas 67202