NOTICE OF INTENT TO DRILL

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

For KCC Use: 9-14-04

District #: SGA? Yes No

Expected Spud Date: September 12, 2004

OPERATOR: License #: 33342
Name: Blue Jay Operating LLC
Address: 4916 Camp Bowie
City/State/Zip: Fort Worth, Texas 76107
Contact Person: Terence L. Goodell
Phone: (214) 392-1224

CONTRACTOR: License #: 33072
Name: Wellrefined Drilling Co., Inc.

Well Drilled For:

- Oil
- Gas
- Storage
- OWO
- Seismic
- Other

Well Completion Date: Original Completion Date: Original Total Depth:

Directional, Deviated or Horizontal wellbore: Yes No
If Yes, true vertical depth:

Bottom Hole Location: KCC DKT #:

SEP 09 2004

CONSERVATION DIVISION
WICHITA, KS

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: 8/31/04
Signature of Operator or Agent:

Remember to:
- File Drill Pit Application (form CDP-1) with Intent to Drill;
- File Completion Form ACD-1 within 120 days of spud date;
- File acreage attribution plot according to field proportion 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: 10/14/04

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