For KCC Use: 9.14.04

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: 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) 882-1224

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

Well Drilled For:
- Oil
- Gas
- Storage
- GWOD
- Disposal
- WC (water control)
- Other:

Well Class:
- Infilled
- Air Rotary
- Cable
- Mud Rotary

Type Equipment:
- 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? Yes No
If Yes, true vertical depth:

Bottom Hole Location:

KCC Dkt #:

WAS: 3303 FSL, 2340' FHL SE SE SW
SEP 09 2004

The undersigned hereby affirms that the drilling operation and eventual plugging of this well will comply with K.S.A. 55 et seq.

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:
Title: Landman/Agent

For KCC Use ONLY
API # 15 - 205 2585:1.0000
Conductor pipe required:

Minimum surface pipe required:

Approved by:

This authorization expires:
(This authorization void if drilling not started within 6 months of effective date.)

Spud date:
Agent:

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202
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 attribution 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: Willard
Well Number: A-2
Field: Cherokee Basin Coal Gas Area
Number of Acres attributable to well: 40
QTR / QTR / QTR of acreage: SE - SE - SW

Location of Well, County: Wilson
3,030' FSL feet from N / ✓ S Line of Section
2,060' FNL feet from E / ✓ W Line of Section
Sec. 1 Twp. 30 S. R 14E ✓ East □ West

Is Section: ✓ Regular or □ Irregular
If Section is Irregular, locate well from nearest corner boundary. Section corner used: □ NE □ NW □ SE □ SW

PLAT
(Show location of the well and shade attributable acreage for prorated or spaced wells.)
(Show footage to the nearest lease or unit boundary line.)

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

In plotting 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 8 surrounding sections, 4 sections, etc.
2. The distance of the proposed drilling location from the section's south / north and east / west.
3. The distance to the nearest lease or unit boundary line.
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (CG-7 for oil wells; CG-8 for gas wells).