NOTICE OF INTENT TO DRILL

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

Effective Date: 10-11-04

District # 3

SGA? Yes No

Expected Spud Date: October 10, 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: (231) 392 1224

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

<table>
<thead>
<tr>
<th>Well Drilled For</th>
<th>Well Class</th>
<th>Type</th>
<th>Equipment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil</td>
<td>Enh Rec</td>
<td>Mud</td>
<td>Rotary</td>
</tr>
<tr>
<td>Gas</td>
<td>Storage</td>
<td>Wildcat</td>
<td>Cable</td>
</tr>
<tr>
<td>OWO</td>
<td>Disposal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Seismic</td>
<td># of Holes</td>
<td>Other</td>
<td></td>
</tr>
</tbody>
</table>

If OWO: 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

<table>
<thead>
<tr>
<th>NW/4</th>
<th>NW/4</th>
<th>Sec</th>
<th>Twp</th>
<th>S</th>
<th>R</th>
<th>F</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>11</td>
<td>30</td>
<td>N</td>
<td>30</td>
<td>W</td>
</tr>
</tbody>
</table>

Is SECTION Regular Irregular

(Note: Locate well on the Section Plat on reverse side)

County: Wilson

Lease Name: Thiessen
Field Name: Cherokee Basin Coal Gas Area

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Mississippian

Nearest Lease or Unit boundary: 330'

Ground Surface Elevation: 907 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: 100+

Depth to bottom of usable water: 200+

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 40 min

Length of Conductor Pipe required: None

Projected Total Depth: 1350 Feet

Formation at Total Depth: Mississippian

Water Source for Drilling Operations: Well Form Pond Other

DWR Permit #: 

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No

If Yes, proposed zone:

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 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.

5. The appropriate district office will be notified if 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: 10/03/04

Signature of Operator or Agent: 
Title: Landman/Agent

RECEIVED
KANSAS CORPORATION COMMISSION
10-11-04

CONSERVATION DIVISION
WICHITA KS

OCT 05 2004

conservat1on division prior to plugging:

For KCC Use ONLY
API # 205-25869-00-00
Conductor pipe required NONE
Minimum surface pipe required 40 feet per All. O
Approved by:
This authorization expires: 4-6-05
(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

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 pronation 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 please check the box below and return to the address below.

☐ Well Not Drilled - Permit Expired

Signature of Operator or Agent: 
Date: 

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, please draw the intended well so that the well can be identified by a diamond or within 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: Thiessen
Well Number: A-3
Field: Cherokee Basin Coal Gas Area
Number of Acres attributable to well: 40
OQT / OTR / QTR of acreage: NW4 NW4 NW4

Location of Well: County: Wilson
330' feet from N / S Line of Section
330' feet from E / W Line of Section
Sec. 11 Twp. 30 S. R. 14
Is Section: ✓ Regular or □ Irregular

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

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

RECEIVED
KANSAS CORPORATION COMMISSION
OCT 05 2004
CONSERVATION DIVISION
WICHITA, KS

EXAMPLE

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 measure in which you are using the intended plat by selecting section lines. 3 = 1 section; 1 section with 8 surrounding sections.
2. The distance or spacing of the proposed well from the nearest lease or unit boundary line.
3. The distance to the nearest lease or unit boundary line.
4. If the proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached. (CO 7 for oil wells, GA 8 for gas wells.)