**KANSAS CORPORATION COMMISSION**
**Oil & Gas Conservation Division**

**NOTICE OF INTENT TO DRILL**

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

<table>
<thead>
<tr>
<th>Spud Site</th>
<th>SW 264</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sec. 27</td>
<td>580’</td>
</tr>
<tr>
<td>T28</td>
<td>N/S</td>
</tr>
<tr>
<td>R14</td>
<td>W/S</td>
</tr>
</tbody>
</table>

**OPERATOR:** Blue City Operating, LLC

**Receiving:** KANSAS CORPORATION COMMISSION

**Address:** 1200 E. 29th St., Suite 204, Fort Worth, TX 76107

**Contractor:** Bob McIntosh

**Phone:** 214-692-1400

**CONSERVATION DISTRICT:** WICHITA, KS

**CONTRACTOR:** License #23359

<table>
<thead>
<tr>
<th>Well Drilled For</th>
<th>Well Class</th>
<th>Type Equipment</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oil</td>
<td>1</td>
<td>Mud Rotary</td>
<td>9132-05</td>
</tr>
</tbody>
</table>

**Surface Plot:**

- **Note:** Locate well on the Section Plot on reverse side.

**County:** Wilson

**Lease Name:** Holden

**Well #:** A-3

**Cherokee Basin Coal Gas**

- **Yes**
- **No**

**Well Drilled For:** Oil

**Well Class:** 1

**Type Equipment:** Mud Rotary

**Source:** 9132-05

**If OWWI, old well information as follows:**

- **Operator:** Blue City Operating, LLC
- **Well Name:**
- **Original Completion Date:**
- **Original Total Depth:**
- **Directional, Deviated or Horizontal wellbore?:**
- **Yes**
- **No**
- **If Yes, true vertical depth:**

**Bottom More Location:**

**KCC DKT #:**

---

**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 as specified below shall be set by co-ordinating 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.

**For KCC Use Only**

<table>
<thead>
<tr>
<th>APR 15</th>
<th>2008-26010-00-00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conductor pipe required:</td>
<td>306’</td>
</tr>
<tr>
<td>Minimum surface pipe required:</td>
<td>90’</td>
</tr>
<tr>
<td>Approved by:</td>
<td>9/30/05</td>
</tr>
</tbody>
</table>

This authorization expires: 9/30/05

Spud date: 10/05

Signature of Operator or Agent: Charlette R. Koplin

Remember to:
- File Drill Plans Application (form CDP-1) with intent to dirt
- File Completion form ACO-1 within 120 days of spud date
- File acreage attachment plot according to field production orders
- Notify appropriate district office 48 hours prior to workover or re-entry
- Submit plugging report (form CDP-4) after plug and回去 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 all the above below

Date: 12/31/05

Mail to: KCC - Conservation Division, 130 S. Market - Room 207A, 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 the site 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 all wells.

All No. 15
Operator: Blue Sky Operating, LLC
Leased: Holdeman
Well Number: A-3
Field: Cherokee Basin Coal Gas
Number of Acres attributable to well: 80
QTR / QTR / QTR of acreage: SE, SW

Location of Well: County: Wilson
Section: 27
Township: 28
Range: 14

Location of Well: NE / SE / NW / SW
Location of Well: West / East

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 toggle to the nearest acre or unit boundary line.)

RECEIVED
PANHANDLE CORPORATION COMMISSION
MAR 22 2005
CONSERVATION DIVISION
WICHITA, KS

EXAMPLE

33RD

1320

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 to identify section lines, i.e., N, section, 1 section with 8 surrounding sections, 4 sections, etc.

2. The distance of the proposed drilling location from the section's north / north and east / west.

3. The distance to the nearest leases 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 (CO-7 for oil wells; CO-8 for gas wells).