NOTICE OF INTENT TO DRILL

Must be approved by KCC Not (5) days prior to commencing well

DATE: 3/27/05

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Expected Spud Date: 3/25/05

— No —

OPERATOR: Blue Jay Operating, LLC
Address: 401 S. 9th St., Suite 204
City/State/Zip: Fort Worth, TX 76107
Contact Person: Bob McNew
Phone: 916-622-4185

CONTRACTOR: Located at 3559
Name: Sabine-Wells, LLC

Well Name: Wilson

Well Location: Cherokee Basin Coal Unit
Target Formation: Mississippian
Nearest Leased or Undeveloped Boundary: 330' Ground Surface Elev.: 330' Water well within 2,000 feet of well: Yes
Public water quality well within one mile: Yes
Depth to bottom of fresh water: 100'
Depth to bottom of usable water: 300'
Sump Pipe by Alternate: 2
Length of Surface Pipe Planned to be Set: 47 Minimum
Length of Conductor Pipe Required: None
Projected Total Depth: 1300'

Operator: Yes

Well Name:
Original Completion Date: Original Total Depth: 

Directional Deviation of Horizontal well?: No

If Yes, true vertical depth:

Bottom Hole Location:

KCC Div.:

The undersigned hereby affirms that all drilling, completion and eventual plugging of this well will comply with K.S.A. ss.

It's agreed that the following minimum requirements will be met:

1. Notice is given to the 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 of all wells, with exceptions as otherwise noted, through all unconsolidated materials plus a minimum of 25 feet into the underlying formation.
4. If the well is a test hole, an agreement between the operator and the district office on plug length and sequence placement is necessary prior to plugging.
5. The approximate district office will be notified before well is either plugged or production casing is removed.
6. If an alternate completion, production pipe shall be cemented from below any usable water to surface within 120 days of spud date.
7. All other requirements will be completed 30 days of the spud date or the well shall be plugged.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: 3/21/05

Affidavit

For KCC Use Only

AP No 15

Conductor pipe required: None

Minimum surface pipe required: 40 feet per A1

Approved by:

This authorization expires: 3/25/05

This authorization will if drilling not started within 6 months of effective date.

Mail to: KCC - Conservation Division, 1303 S. Market - Room 2015, 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 plan below showing that the well will be properly located in relationship to other wells producing from the common source of supply. Please show all other 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.: 26-05-26-01-6-0000
Operator: Blue Jay Operating, LLC
Lessee: Mayette
Well Number: A-2
Field: Cherokee Basin Coal Gas
Number of Acreage attributable to well: 80
QTR / QT / QT / QT of acreage: NW4 / NE4 / NE4
Location of Well: County: Wilson
Sec: 4
T: 29
R: 14
Line of Section:
Line of Section:
In Section: Regular or Irregular
If Section is Irregular, locate well from nearest corner boundary.
Section corner unit:

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 plan 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: (CO-7 for oil wells; CO-8 for gas wells.)

EXAMPLE

RECEIVED
ARKANSAS CORPORATION COMMISSION
MAR 2 2005
CONSERVATION DIVISION
WICHITA, KS

PRESENTED TO:

SEWARD, KS