KANSAS CORPORATION COMMISSION
ON A GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL

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

For KCC use ONLY
API x 15
Conductor well required [ ] None
Minimum surface size required [ ] 40 [ ] 60 [ ] 80

[ ] 2605 - 26107 0000

Approx. 305 - 306 [K]
This authorization expires 12/28/85
(Effective date)

[ ] Well Drilled For:
Oil [ ] Gas [ ] Water [ ] Mud Rotary [ ] Air Rotary [ ] Other

[ ] Wall Class:
Drill Stem [ ] Mud [ ] Other

[ ] Type Equipment:
Gas [ ] Storage [ ] Pool Ext. [ ] Air Rotary [ ] Cable

[ ] DWO:
Disposal [ ] Widal [ ] Other

[ ] Name of Honors:
Cohoes Wells, LLC

[ ] Well Drilled:
33542

[ ] Owner:
Blue Jay Operating, LLC

[ ] Address:
Suite 204
Fort Worth, TX 76107

[ ] Contact Person:
Bob McNew

[ ] Phone:
972-404-4160

[ ] CONTRACTOR:
License:
23555

[ ] Name:
Cohoes Wells, LLC

EXPECTED Spud DATE:
6/27/05

[ ] GEOLOGY:
[ ] Weal [ ] New [ ] Interstitial water known:
Yes [ ] No

[ ] Depth:
660' [ ] S. R. 14

[ ] SECTION:
6 [ ] W

[ ] County:
Wilson

[ ] Municipality:
A-1

[ ] Ground Surface Elevation:
587' [ ] feet

[ ] Water Well within one-quarter mile:
No [ ] Yes

[ ] Public water supply well within one mile:
No [ ] Yes

[ ] Depth to bottom of fresh water:
100' [ ] feet

[ ] Depth to bottom of usable water:
200' [ ] feet

[ ] Surface Pipe by Alternate:
[ ] 2 [ ] 2 [ ] 4

[ ] Length of Surface Pipe Planned to be set:
At minimum: 40' [ ] Maximum:
Length of Conductor Pipe Required:
None

[ ] Formation at Top Depth:
Massachusetts

[ ] Water Source for Drilling Operation:
[ ] Well [ ] Farm Pond [ ] Other

[ ] DWP Permit #:

[ ] Note: Apply for Permit with DWP

[ ] Will Core be taken?
Yes [ ] No

[ ] KCC DKT #:

[ ] Directional Deviation or Inclination will be:
Yes [ ] No

[ ] Name of Honors:
Cohoes Wells, LLC

[ ] Well Name:

[ ] Original Completion Date:

[ ] Original Total Depth:

[ ] 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 at 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 30 feet into the underlying formation.
4. If the well is dry hole, an agreement between the operator and the district office on pay length and placement is necessary prior to plugging;
5. The appropriate district office will notify 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 #130.691-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 will be plugged.

In all cases, NOTIFY district office prior to any cementing.

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

Date:
3/29/05

For KCC Use Only

API x 15
Conductor well required [ ] None
Minimum surface size required [ ] 40 [ ] 60 [ ] 80

[ ] 2605 - 26107 0000

Approx. 305 - 306 [K]
This authorization expires 12/28/85
(Effective date)

[ ] Spud Date:

[ ] Agent:

[ ] Remember to:
- File DEP Plat Application (form COP-1) with Intent to Drill;
- File Completion Form ACO-1 within 100 days of Spud date;
- File acreage estimates plot according to field priority order;
- 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 a permit expires (see authorized expiration date) please check the box below and return to the address below.

[ ] Well Not Drilled - Permit Expired

Signatory of Operator or Agent:

Mail to: KCC - Conservation Division, 130 E. Main - Room 3780, Wichita, Kansas 67202

RECEIVED
JUN 27 2005
KCC/WICHITA

[ ] 2/28/45
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 prorated acreage. Attribution of acreage shall be to the nearest lease or unit boundary line.

Am. No. 15

Operator: Blue Jay Operating, LLC

Lease: Ironyak

Well Number: A-1

Field: Cherokee Basin Coal Gas

Number of acres attributable to well: 80

QTR / QTR / QTR of acreage: C, SW, NW

Location of Well: County: Wilson

660' feet from LINE of section

WELL NO. 31

N. 25 S. 14 E.

Is Section: Regular or Irregular

If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE, NW, SE, SW

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 nearest 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. (CD-7 for oil wells; CD-8 for gas wells.)

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JUN 27 2005

KCC WICHITA

EXAMPLE

SEWNHD(00)