NOTICE OF INTENT TO DRILL

Must be executed by KCC Live (5) days prior to commencing well

SPOT SW4, SW4, NE4

Form C-1
Date: December 2000

Form must be Typed
Form must be Signed
All blanks must be Filled

SOUTHWEST:

X

W

Line of Section

Line of Section

X

2310'

29

14

East

West

Foot

Foot

Distance from

Distance from

S

R

2

1

Section

Regular

Integra

Section

Regular

Integra

County:\n
Wichita

Lease Name:

Buck

Well No:\n
A-5

First Name:

Cherokee Basin Cost Gas

Is this a Producing/Spaced Pool?

Yes

No

Target Formation(s):

Mississippian

Nearest lease or unit boundary:

3300'

Ground Surface Elevation:

784'

Well NWS

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 salt water

700'

Surface Pipe by Reference:

X

2

Length of Surface Pipe Planned to be set:

40' Minimum

Length of Conductor Pipe Required:

X

Projected Total Depth:

3300'

Formation at Total Depth:

Mississippian

Water Source for Drilling Operations:

Yes

No

DWR Permit No:

(Refer to Appendix "B": Eastern Kansas surface casing @ 130,881')

Will Core be taken?

Yes

No

If Yes, proposed zone:

KANSAS CORPORATION COMMISSION
OIL AND GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

July 4, 2005

Expected Spud Date

Operators

Name: Blue Jay Operating, LLC
Address: 5156 Camp Bowler Dr., Suite 204
City/State/Zip: Fort Worth, TX 76107
Contact Person: Bob McIlvire
Phone: 817-658-4180

CONTRACTOR:

Name: Cherokee Wells, LLC
Well Drilled For:

Well Class: Type Equipment:

Oil

Gas Storage

Natural Gas

Field Rotator

Other

Oil

Gas Storage

Pool Ext

Air Rotary

Other

Driller

Driller

Wiscott

Cable

If DWO, old well information as follows:

Operator:

Well Name:

Original Completion Date:

Original Total Depth:

Directional, Deviated or Horizontal well?:

Yes

No

If Yes, true vertical depth:

Rotational Hole Location:

KCC DWO:

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.A.C. 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 surfice pipe as specified below shall be set by circulating cement to the top in all cases surfice pipe shall be set through all "non-rotational" 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 for 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 ALTERATION 1 COMPLETION, production pipe shall be cemented from below any usable water to surface within 120 days of spud date.

DWR Permit No:

(Refer to Appendix "B": Eastern Kansas surface casing @ 130,881'), which applies to the KCC District 3 area, alternate 2 cementing shall 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 correct to the best of my knowledge and belief.

Date:

Signature of Operator or Agent:

Mail to: KCC - Conservation Division, 130 S. Market - Room 307B, Wichita, Kansas 67202

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JUN 2 2005

KCC WICHITA

For KCC Use Only

API # 15:

205.2

2

123.00.00

Dow

Minimum surface pipe required:

40' feet per AI

Approved by:

KCC 29.05

This authorization expires:

(Effective date of this authorization will be that date on which it is signed)

Spud date:

Agent

Remember to:

- File Drilling Progress Report (form CDP-1) with intent to drill.
- File Completion Form ACO-1 within 120 days of spud date.
- File a permit for drilling water wells according to state regulation.

For KCC Use Only

Conductor pipe required:

None

Feet

(For KCC Use Only)

Mail to: KCC - Conservation Division, 130 S. Market - Room 307B, 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: Bates
Well Number: A-5
Field: Cherokee Basin Coal Gas

Number of Acres attributable to well: 80
QTR I / QTR II / QTR III of acreage: SW4 - SW4 - NE4

Location of Well: County: Wilson
2310' foot from N / S Line of Section
2310' foot from E / W Line of Section
Sec. 3 Twp. 28 S. R. 14 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: (CD-7 for oil wells; CD-8 for gas wells).

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JUL 7 9 2006
KCC WICHITA

EXAMPLE

SEWARD CO.

25.00' 3.31C'

1980 3390'