NOTICE OF INTENT TO DRILL

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

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

EXPEDITOR Date: 7/25/05

KCC # 33342

CITY OF LAWTON, LAWTON COUNTRY

OPERATOR: Licensee
Blue Jay Operating, LLC
9191 Camp Brent Blvd, Suite 504
Ft. Worth, TX 76107
Contact Person: Bob McNeese
Phone: 970-95-4100

CONTRACTOR: licensed
Name: Cherokee Drilling, LLC
Well Drilled For: Well Class:
NGL Storage: Gas
OWD: Disposal: Water
Subsurface: A of hole:
other:

If blank is old well information as follows:
Operator:
Well Name:
Original Completion Date:
Original Total Depth:
Directional Drilled or Horizontal, what???
Yes No
Yes true vertical depth:
Bazooka Hole Location:

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and abandonment of this well will comply with K.S.A. 55 et seq.

It is agreed that the following minimum requirements will be met:

1. Appropriate drilling office prior to spudding shall be posted for each drilling rig;
2. The minimum amount of surface pipe as specified below shall be set by circulating cement to the top in all cases where surface pipe shall be set through all unconsolidated materials plus a minimum of 20 feet into the underlying formation.

3. If the well is dry, an agreement between the operator and the district office on plug length and placement is necessary prior to plugging;
4. The particular drill hole will be notified before well is either plugged or production carried is cemented in;
5. If the plug hole is followed, a completion or production shall be completed from below any stable water surface within 120 days of spud date; and
6. If the alternating drilling agreement is followed, no surface pipe shall be cemented into any stable water surface within 120 days of spud date.

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

Signature of Operator or agent

Date: 7/25/05

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67222

For KCC Use Only
API #: 205-24139-00-00
Conductor pipe required: NONE
Minimum surface pipe required: 40 ft per Art. 2

Approx Final Depth: 2131 ft

Thermal Certification expire: 12/02/06

(Thermal Certification expire: 12/02/06)

Spud Date: 5/26/05

Agent

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67222

For KCC Use Only
API #: 205-24139-00-00
Conductor pipe required: NONE
Minimum surface pipe required: 40 ft per Art. 2

Approx Final Depth: 2131 ft

Thermal Certification expire: 12/02/06

(Thermal Certification expire: 12/02/06)

Spud Date: 5/26/05

Agent

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67222
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

PLOT of acreage attributable to a well in a proximal or spaced field

If the intended well is in a proximal or spaced field, please fully complete this side of the form. If the intended well is in a proximal or spaced field, please complete the plat below showing the well will be properly located in relation to the 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: 5916 Camp Bowie Blvd., Suite 204
Lease: Bates
Well Number: A-7
Field: Cherokee basin: Coal Gas
Number of Acres attributable to well: 80
GTR / GTR / GTR of acreage: NW, NW, SE4

Location of Well: County: Wichita
3300' N / 2310' E / N, W Line of Survey
S, E and W Line or Section
Sec. 3, Twp. 39, R. 14E

If Section is Regular, 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,
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 proximal location is located within a proximal or spaced field a certificate of acreage attribution plat must be attached (CD/7 for oil wells; CD/6 for gas wells).