KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL

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

For KCC use:

Form No. 01
December 2002
Form must be Typed
All blanks must be Filled

Expected Spud Date: July 4, 2005

Operator: Licensee: 33342
Name: Rick Jay Operating, LLC
Address: 33342 S.E. Malvina, Suite 204
City/State/Zip: Fort Worth, TX 76107
Contact Person: Bob McNeil
Phone: 918-622-4190

Contractor: Licensee: 93639
Name: Cherokee Wells, LLC

Well Drilled For: Oil
Well Class: Wildcat
Type of Equipment:
Drill Rig: Yes
Drill Rec: No
Infant: No
Pool Ext: No
Air Rotary: Yes
0 MWD: Yes
Disposal: No
Widow: No
Cable: No
Other:

If MWD: old well information as follows:
Operator:
Well Name:
Original Completion Date:
Original Total Depth:
Directional Deviated or Horizontal well?: Yes
Yes, true vertical depth:

Geographic Location:
KCC Drilling

*See Attached UIC Letter*

AFFIDAVIT

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

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

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, 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 if the proposed acreage attribution unit for oil wells.

<table>
<thead>
<tr>
<th>API No. 15</th>
<th>Location of Well: County: Wilson</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operator: Blue Jay Operating, LLC</td>
<td>160' feet from</td>
</tr>
<tr>
<td>Lease: Lambert</td>
<td>feet from</td>
</tr>
<tr>
<td>Well Number: 727D A-3</td>
<td>C W Line of Section</td>
</tr>
<tr>
<td>Field: Cherokee Basin Coal Gas</td>
<td>2360' feet from</td>
</tr>
<tr>
<td>Number of Acres attributable to well: 80</td>
<td>C E Line of Section</td>
</tr>
<tr>
<td>QTR / QTR / QTR if acreage: SE4, SE4, SW4</td>
<td>Sec. 34, Twp. 28 S R. 14</td>
</tr>
</tbody>
</table>

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 whole attributable acreage for prorated or spaced wells.) (Show footage to the nearest lease or unit boundary line)

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-6 for gas wells).

NOTE: In all cases locate the spot of the proposed drilling location.
NOTICE TO OPERATORS FILING INTENT TO DRILL FOR DISPOSAL OR ENHANCED RECOVERY INJECTION WELLS, (CLASS II INJECTION WELL)

The attached approved Notice of Intent to Drill indicates the proposed well is to be used for injection. An approved "Intent to Drill" does not approve injection authority as a Class II Injection Well in Kansas.

Before any well is used for injection purposes, the operator must file an application for injection authority in accordance with K.A.R. 82-3-401 and provide notice in accordance with K.A.R. 82-3-402. The Conservation Division must issue a written permit granting the application before commencement of injection.

The Conservation Division requirements and restrictions associated with Class II Injection are identified in K.A.R. 82-3-400 et seq of our regulations. Associated regulations governing drilling, completion and injection applications may be found in K.A.R. 82-3-135, Table I, Table II, in the Cedar Hills Sandstone Moratorium, (Docket #156,397-C), and the Eastern Kansas Surface Casing Order, (Docket #133,891-C).

If you have questions regarding the approval of injection authority, an injection application may be filed as a "Design Approval" before actual drilling and completion of the well occurs. If you have any questions or concerns regarding Class II injection wells or regulations, call the Underground Injection Control Department at 316-337-6200.

Failure to obtain commission approval before beginning injection is punishable by a penalty, shut-in of the well or both.