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 Only
AP # 15
Conductor pipe required: None
Minimum horizontal distance: feet per Acre: D
Approved by: Agent
This authorization void if drilling not started within 6 months of effective date.
Spud date: Agent

Expected Spud Date: July 4, 2005

Operator: Licensee: 33342
Name: Blue Jay Operating, LLC
Address: 9135 Camp Bowman Drive, Suite 204
City/State/Zip: Fort Worth, TX 76107
Contact Person: Bob Mcanh
Phone: 776-625-1183

CONTRACTOR: Licensee: 33353
Name: Cherokee Wells, LLC
Well Drilled For: West Class: Type Equipment: Gas Oil
Dr. Rec. Prod. Ext. Air Rotary Cable
OWD: Disposal Well Total:
Dr. ID #: Other

If OWID: old well information as follows:
Operator: Well Name:
Original Completion Date: Original Total Depth:
Directional, Deviated or Horizontal well?: Yes No
Yes, true vertical depth:
Bottom-Entry Location: X

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 on each drilling rig;
3. The minimum amount of surface pipe as specified below shall be set by cementing cement to the top in all cases surface pipe shall be set through all unconsolidated 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 on plug depth 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 alternate II completion, production pipe shall be cemented from below any usable water to surface within 120 days of spud data. Or pursuant to Appendix "B" - Eastern Kansas Surface casing depth 1130-1150 C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud data 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 I am in full of my knowledge and belief.

Date: 6/27/05
Signature of Operator or Agent

Notice to:
Mail to: KCC - Conservation Division, 130 S. Merker - Room 207B, Wichita, Kansas 67202

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JUL 9 2005
KCC WICHITA
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: [Blank]
Operator: Blue Jay Operating, LLC
Lease: [Blank]
Well Number: A-4
Face: Cherokee Balin Coal Gas
Number of Acres attributable to well: 80
QTR / QTR / QTR of acreage: NW, NW, NW

Location of Well: County: Wilson

3° 30' 33° 30'
feet from E N
feet from S W
Sec: 4 Wp. 28S 16 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 footings to the nearest lease or unit boundary line.)

NOTE: In all cases indicate 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 the certificate of acreage attribution plan must be attached: (CD-7 for oil wells; CD-8 for gas wells).

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JUN 9 2002
KCC-WICHITA
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.