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

Effective Date: 9-3-05

District #: D-7

SOA: Yes

Expected Spud Date: August 29, 2005

month day year

OPERATOR:

License #: 33342
Name: Blue Jay Operating, LLC
Address: 4916 Camp Bowe Blvd., Suite 204
City/State/Zip: Fort Worth, TX 76107
Contact Person: Rob McNee
Phone: 918-852-4190

CONTRACTOR:

License #: 33529
Name: Cherokee Wells, LLC

Well Drilled For:

Water, Gas, Oil, Other

Type Equipment:

Most Rotary, Air Rotary, Cable

Gas: Storage, Pool Exp.

Flowline: # of Holes, Other

Well located on the

Weather West

Diss is to the

116°00' 160'00'

in the

SECTION 1

Regular

Irregular

County: Wilson

Lease Name: Cherokee Basin Gas Coal

Field Name: Cherokee Basin Gas Coal

Is this a Pardon / Spaced Well?

Target Formation(s): Mississippian

Nearest Lease or Unit Boundary: 160'

Ground Surface Elevation: 450'

Water well within one-quarter mile?

Public water supply well within one mile?

Depth to bottom of fresh water: 100'

Depth to bottom of usable water: 300'

Surface Pipe by Alternate: 1 2

Length of Surface Pipe Planned to be set: 40' Minimum

Length if Conductor Pipe required: None

Produced Total Depth: 600'

Formation is Total Depth: Mississippian

Water Source for Drilling Operations:

Yes, Farm Pond

DWR Permit #: [Note: Apply for Permit with DWR]

Will Core be taken?

Yes, proposed zone:

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 circulating 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 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 ALTERNATE II COMPLETION, production pipe shall be cemented from within any usable water to surface within 120 days of spud date.

Or pursuant to Appendix B - Eastern Kansas surface casing order #129,911-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 shall be plugged in the usual manner. NOTIFY district office prior to any commencing.

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

Date: August 22, 2005

Signature of Operator or Agent:

For KCC Use Only:

API #: R05-26165-0000

Conductor pipe required: None

Minimum surface pipe required: 300' feet per Acre

This authorization expires: 3-3-06

This authorization void if drilling not started within 6 months of effective date.

For KCC Use Only:

API #: R05-26165-0000

Conductor pipe required: None

Minimum surface pipe required: 400' feet per Acre

This authorization expires: 3-3-06

Spud date: 11-24-05

Agent:

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Full 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 page 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: Eck
Well Number: A-1
Field: Cherokee Basin Coal Gas

Number of Acres attributable to well: 80 acres

Location of Well: County: Wilson
1650' east from R. S. N. E. Line of Section
1650' east from W. L. S. Line of Section

Is Section: Regular or irregular

If Section is irregular, locate well from nearest corner survey. 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: (C0-7 for oil wells; C0-8 for gas wells)

RECEIVED
AUG 2 5 2005
KCC WICHITA