NOTICE OF INTENT TO DRILL

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

**August 29, 2005**

**Well Drilled For**: Oil

**Operator**: Chesapeake Wells, LLC

**Operator Contact**: Robin McNamara Phone: 512.625.4102

**Well Class**: Oil

**Type Equipment**: Gas Storage, Pool Ext, Wildcat, Cable

**If DWAC**: Old well information as follows:

- **Original Completion Date**:
- **Original Total Depth**:
- **Directional, Deviated or Horizontal well**: Yes
- **If true vertical depth**:
- **Bottom Hole Location**:

**KCC DKT**: 205-26169000

**Location**

- **Land**: No
- **Water**: Yes
- **Spud Date (if drilling not started within 6 months of effective date)**: 3-15-05

**For KCC Use ONLY**

- **Conductor pipe required**: Yes
- **Minimum surface pipe required**: 40 feet per Acre

**Wells**:

- **Name**: Chesapeake Basin Coal Gas
- **Is this a Porated / Spaced Field**: Yes
- **Target Formation**: Mississippian
- **Nearest Lease or unit boundary**: 330 feet
- **Ground Surface Elevation**: 851 feet
- **Water well within one-quarter mile**: Yes
- **Public water supply well within one mile**: Yes
- **Depth to bottom of fresh water**: 100 feet
- **Depth to bottom of usable water**: 200 feet
- **Surface Pipe by Alternate**: 1
- **Length of Surface Pipe Planned to be set**: 40 feet
- **Length of Conductor Pipe requiring**: None
- **Projected Total Depth**: 3300 feet
- **Formation at Total Depth**: Mississippian
- **Water Source for Drilling Operations**: Farm Pond
- **DWR Permit**: Yes

**Wells Affidavit**

- **If proposed zone**: Yes
- **Will Note be taken**: Yes

**Affidavit**

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 at 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 a 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 by a well 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 120 days of spud date. Or pursuant to Appendix B - Eastern Kansas surface casing order #133,851-C which applies to the KCC District 3 area, alternate II cementing must be completed within 120 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 to the best of my knowledge and belief.

Date: August 22, 2005

Charleett O. Breed, Agent

**For KCC Use ONLY**

**APN**: 15-21-00-00-00-00-A

- **Conductor pipe required**: Yes
- **Minimum surface pipe required**: 40 feet per Acre

- **Approval by**: 

This authorization expires 3-15-05

(Effective this authorization will if drilling not started within 6 months of effective date.)

**Spud date**: 3-15-05

**Mail to**: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

**Form**: Form 0-1

**Form must be Typed**

**Date**: December 2002

**Ad blanks must be filled in**

**Received**: Aug 25, 2005

**Signature of Operator or Agent**:
IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW

Plot 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: Ward
Well Number: A-3
Field: Cherokee Basin Coal Gas

Number of Acres attributable to well: 80 acres
GTR / QTR / QTR of acreage: NE4, SE4, NE4

Location of Well: County: Wilson

1600' feet from S Line of Section
330' feet from E Line of Section
sec. 9, Twp. 29S, R. 14E, W. 1/2

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 depicts 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-8 for gas wells, CD-9 for oil wells).

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