NOTICE OF INTENT TO DRILL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

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

Form # 2

September 28, 2005

#2

Expected Start Date: 

month day year

OPERATOR: Licensee 33342

Name: Blue Jay Operating, LLC

Address: 4891 W. Camp Bowie Blvd. Suite 204

City/State/Zip: Fort Worth, TX 76107

Contact Person: Bob McBrewer

Phone: 972-424-4180

CONTRACTOR: Licensee 33339

Name: Cherokee Basin Cogas

Wells Drilled For: 

Well Class: 

Type Equipment: 

Y N Y N Y

Gas Storage Post Ext. Air Rotary

Water Disposal Cable

Submersible # Of Holes Other

OWD: old well information as follows:

Operator:

Well Name:

Original Completion Date:

Original Total Depth:

Directional, Deviated or Horizontal well?

Yes N No

If Yes, vertical depth:

Bottom Hole Location:

KCC DNR #

AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and equipping of this well will comply with K.S.A. 55-216 et seq.

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

1. Notify the appropriate district office prior to squaring 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 of the casing 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 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 completion, production pipe shall be cemented from below any usable water to surface within 120 days of spud date.

Par, KCC Use ONLY

API 15

205-2620-4000

Conductor pipe required

None

Maximum surface pipe is required

Y N

Approved

Test per API 14

This affirmation expires

(1) 12/31/05

Spud date

Agent

Mail to: KCC - Conservation Division, 130 S. Market - Rm. 207, Wichita, Kansas 67202

For KCC Use ONLY

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Test per API 14

Approved

Test per API 14

This affirmation expires

(1) 12/31/05

Spud date

Agent

Mail to: KCC - Conservation Division, 130 S. Market - Rm. 207, Wichita, Kansas 67202

To remember:

File Drilling Activity form (CSP-1) with intent to drill.

File Completion Form (CAG-1) within 100 days of test date.

File all required information and pay all filing and posting fees.

Notify appropriate district office 48 hours prior to workover or re-entry.

Submit drilling report (CIP-4) after drilling is complete.

Obtain written approval before beginning or entering well.

If this permit has expired, date, authorized expiration date, please check the box below and return to the address below.

Well Not Drilled - Permit Expired

Signature of Operator or Agent:

Date:

Johnson County

Wichita, Kansas

KCC WICHITA

2005

RECEIVED SEP 3 2005

DNR Permit expires

Mail to: KCC - Conservation Division, 130 S. Market - Rm. 207, Wichita, Kansas 67202

For KCC Use ONLY

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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
Operator: Blue Jay Operating, LLC
Lease: Lisher
WELL Number: A-1
Field: Cherokee Basin Coal Gas
Number of Acres attributable to Well: 80 acres
OTR / OTR / OTR of acreage...

Location of Well

Ft from W
20th
sec. 33
W 19
26
S 14E

Regular or Irregular

PLAT
(Show location of the well and attribute acreage for prorated or spaced wells.)
(Show footage in 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 adhere:
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 north / north and east / west.
3. The distance to the nearest lease or unit boundary line.
4. If proposed location is within a prorated or spaced field a certificate of acreage attribution plat must be attached (CD-7 for oil wells; CD-8 for gas wells).