KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL
Must be approved by KCC five (5) days prior to commencing well

Expected Sched Date: August 29, 2005

OPERATOR: Licensee: Blue Jay Operating, LLC
Name: Blue Jay Operating, LLC
Address: 1016 Camp Bowie Blvd., Suite 204
City/State/Zip: Forth Worth, TX 76107
Contact Person: Bob McNew
Phone: 918-625-4186

CONTRACTOR: Licensee: Cherokee, LLC
Name: Cherokee, LLC

Well Drilled For: Well Class: Type Equipment:
Oil Em Rec infield Drilled with: Drilled with:
Gas Storage Oil Rotary
GWO Disposal Air Rotary
Seacl # of Holes Cable
Other Other

If OWWO: old well information as follows:
Operator:
Well Name:
Original Completion Date:
Original Total Depth:
Directional, Deviated or Horizontal wellbore?
Yes No

If Yes, true vertical depth:
Bottom Hole Location:

KCC DKT #: Ward A-3

Ward 9-A-3

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 consolidated materials at 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 below any usable water to surface within 120 days of spud date.

Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,981-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 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: 9/29/04

Signature of Operator or Agent:

For KCC Use ONLY

API # 15
Conductor pipe required None feet
Minimum surface pipe required 40 feet per Acre
Approved by RSP 2004-9-28-1 2004-9-28-11-00
This authorization expires 2-28-04

(This authorization void if drilling not started within 6 months of approval date.)

Spud date: Agent:

Remember to:
- File Drilling Application (form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field pronation orders;
- Notify appropriate district office 48 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed;
- Obtain written approval before disposing of or injecting salt water.

If this permit has expired (See: authorized expiration date) please check the box below and return to the address below.

Date:

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 of the proposed acreage attribution unit for oil wells.

API No. 15: 205-26164-0000
Operator: Bluejay Operating, LLC
Lease: Word
Well Number: 9-A-3
Field: Cherokee Basin Coal Gas
Number of Acres attributable to well: 80 acres
QTR / QTR / QTR of acreage: NE1 - SE4 - NE4

Location of Well: County: Wilson
1600 feet from N / S Line of Section
3300 feet from E / W Line of Section
Sec. 9 Twp. 29 S. R. 14
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 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: (CG-7 for oil wells; CG-8 for gas wells).
KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: Blue Jay Operating, LLC
Operator Address: 4916 Camp Bowie Blvd., Suite 204
License Number: 33342

Contact Person: Bob McNew
Lease Name & Well No.: Ward 9-A-3

Phone Number: (918) 625-4180
Pit Location (QQQQ):
NE4, SE4, NE4
Sec 9, Twp. 28S, R 14
1600' Feet from ☑ North / ☐ South Line of Section
330' Feet from ☑ East / ☐ West Line of Section
County
Wilson

Is the pit located in a Sensitive Ground Water Area? ☐ Yes ☑ No
Chloride concentration: None mg/l
(For Emergency Pits and Setting Pits only)

Is the bottom below ground level? ☑ Yes ☐ No
Artificial Liner? ☐ Yes ☑ No
How is the pit lined if a plastic liner is not used?
Dirt

Pit dimensions (all but working pits): 15 Length (feet) 15 Width (feet) N/A: Steel Pits
Depth from ground level to deepest point: 10 (feet)

If the pit is lined give a brief description of the liner material, thickness and installation procedure.

Describe procedures for periodic maintenance and determining liner integrity, including any special equipment or procedures that will be performed.

Distance to nearest water well within one-mile of pit
City Water: feet Depth of water well: feet

Emergency, Settling and Burn Pits ONLY:
Producing Formation:
Number of producing wells on lease:
Barrels of fluid produced daily:
Does the slope from the tank battery allow all spilled fluids to flow into the pit? ☐ Yes ☑ No

Drilling, Workover and Haul-Off Pits ONLY:
Type of material utilized in drilling/workover:
Fresh Water
Number of working pits to be utilized:
One
Abandonment procedure: Remove Fluids, Allow to Dry, Level Surface

Drill pits must be closed within 365 days of spud date.

I hereby certify that the above statements are true and correct to the best of my knowledge and belief.

Date 1/5/2006

Signature of Applicant or Agent

KCC OFFICE USE ONLY

Date Received: Permit Number: Permit Date: Lease Inspection: ☐ Yes ☐ No

Mail to: KCC - Conservation Division, 130 S. Market - Room 2076, Wichita, Kansas 67202