

For KCC Use:  
 Effective Date: 4.6.05  
 District # 3  
 SGA?  Yes  No

KANSAS CORPORATION COMMISSION  
 OIL & GAS CONSERVATION DIVISION  
**NOTICE OF INTENT TO DRILL**

Form C-1  
 December 2002  
**Form must be Typed**  
**Form must be Signed**  
**All blanks must be Filled**

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

Expected Spud Date April 7, 2005  
 month day year

OPERATOR: License# 33342  
 Name: Blue Jay Operating, LLC  
 Address: 4916 Camp Bowie Blvd., Suite 204  
Fort Worth, TX 76107  
 City/State/Zip:  
 Contact Person: Bob McNew  
 Phone: 918-625-4180

CONTRACTOR: License# 33539  
 Name: Cherokee Wells, LLC

RECEIVED  
 APR 01 2005  
 KCC WICHITA

Well Drilled For:	Well Class:	Type Equipment:
<input type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Infield
<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Mud Rotary
<input type="checkbox"/> OWWO	<input checked="" type="checkbox"/> Disposal	<input checked="" type="checkbox"/> Air Rotary
<input type="checkbox"/> Seismic; # of Holes	<input type="checkbox"/> Wildcat	<input type="checkbox"/> Cable
<input type="checkbox"/> Other	<input type="checkbox"/> Other	

Spot NE4 - NE4 - NE4 Sec. 34' Twp. 28S S. R. 14  
 East  West  
200 feet from  N /  S Line of Section  
100 feet from  E /  W Line of Section  
 Is SECTION  Regular  Irregular?

(Note: Locate well on the Section Plat on reverse side)  
 County: Wilson  
 Lease Name: Holderman Well #: SWD A-7  
 Field Name: Cherokee Basin Coal Gas

Is this a Prorated / Spaced Field?  Yes  No  
 Target Formation(s): Arbuckle  
 Nearest Lease or unit boundary: 100'  
 Ground Surface Elevation: 881 feet MSL  
 Water well within one-quarter mile:  Yes  No  
 Public water supply well within one mile:  Yes  No  
 Depth to bottom of fresh water: 100+  
 Depth to bottom of usable water: 200+

Surface Pipe by Alternate:  1  2  
 Length of Surface Pipe Planned to be set: 40' min  
 Length of Conductor Pipe required: Production Pipe +/- 1,640 feet  
 Projected Total Depth: 1,700 feet

Formation at Total Depth: Arbuckle  
 Water Source for Drilling Operations:  
 Well  Farm Pond Other \_\_\_\_\_  
 DWR Permit #: \_\_\_\_\_

(Note: Apply for Permit with DWR )  
 Will Cores be taken?  Yes  No  
 If Yes, proposed zone: \_\_\_\_\_

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 #: \_\_\_\_\_

NOTE: 40' Min. ALT. 2

**AFFIDAVIT**

SEE ATTACHED UIC LISTED

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 below any usable water to surface within **120 days** of spud date. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,891-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: 3/31/05 Signature of Operator or Agent: Charlotte D. Kephart Title: Agent

**For KCC Use ONLY**  
 API # 15 - 205-26024-00-00  
 Conductor pipe required NONE feet  
 Minimum surface pipe required 40 feet per Alt. (2)  
 Approved by: RJP 4-1-05  
 This authorization expires 0-2-05  
 (This authorization void if drilling not started within 6 months of effective date.)  
 Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

**Remember to:**

- File Drill Pit 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 proration 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 or injecting salt water.
- If this permit has expired (See: 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: \_\_\_\_\_

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

34  
 28  
 14E

**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: Holderman  
Well Number: SWD A-7  
Field: Cherokee Basin Coal Gas

Number of Acres attributable to well: \_\_\_\_\_  
QTR / QTR / QTR of acreage: NE4 - NE4 - NE4

Location of Well: County: Wilson  
200 feet from  N /  S Line of Section  
100 feet from  E /  W Line of Section  
Sec. 34 Twp. 28S S. R. 14  East  West

Is Section:  Regular or  Irregular

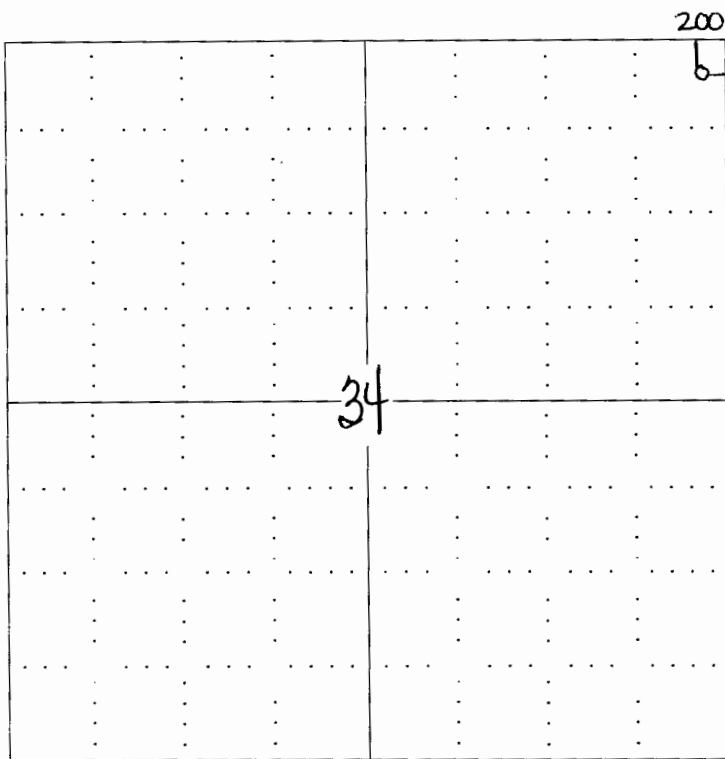
**If Section is Irregular, locate well from nearest corner boundary.**

Section corner used:  NE  NW  SE  SW

**PLAT**

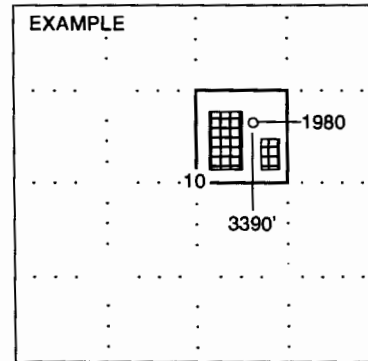
*(Show location of the well and shade attributable acreage for prorated or spaced wells.)*

*(Show footage to the nearest lease or unit boundary line.)*



SWD well

RECEIVED  
APR 01 2005  
KCC WICHITA



**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: (CO-7 for oil wells; CG-8 for gas wells).



# KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

## 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.