Effective Date: 3 5.31.05 District # _____

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form C-1 December 2002 Form must be Typed

SGA! TES X NO	Form must be Signed All blanks must be Filled All blanks must be Filled			
Expected Spud Date June 1, 2005	Spot C SE4 SW4 Sec 35 Two 28S S. R. 14 Weet			
	Sec IWP S. N U			
OPERATOR: License# 33342	660' feet from N / ✓ S Line of Section 1980' Feet from E / ✓ W Line of Section			
Name: Blue Jay Operating, LLC	Is SECTION ✓ Regular Irregular?			
Address: 4916 Camp Bowie Blvd., Suite 204				
Address: Fort Worth, TX 76107	(Note: Locate well on the Section Plat on reverse side) Wilson			
Contact Person: Bob McNew Phone: 918-625-4180	County: Wilson Lease Name: Richardson Well #: A-2			
	Field Name: Cherokee Basin Coal Gas			
CONTRACTOR: License# 33539	Is this a Prorated / Spaced Field?			
Name: Cherokee Wells, LLC	Target Formation(s): Mississippian			
	Nearest Lease or unit boundary: 660			
Well Drilled For: Well Class: Type Equipment:	Ground Surface Elevation: 867' feet MSL			
Oil Enh Rec / Infield Mud Rotary	Water well within one-quarter mile: Yes ✓ No			
✓ Gas Storage Pool Ext. ✓ Air Rotary	Public water supply well within one mile:			
OWWO Disposal Wildcat Cable	Depth to bottom of fresh water: 100+			
Seismic;# of Holes Other	Depth to bottom of usable water:			
Other	Surface Pipe by Alternate: 1 2			
If OWWO: old well information as follows:	Length of Surface Pipe Planned to be set: 40' Minimum			
Operator:	Length of Conductor Pipe required: None			
Well Name:	Projected Total Depth: 1350'			
Original Completion Date:Original Total Depth:	Formation at Total Depth: Mississippian			
Directional, Deviated or Horizontal wellbore? Yes ✓ No	Water Source for Drilling Operations:			
If Yes, true vertical depth:	Well Farm Pond Other			
Bottom Hole Location:	DWR Permit #:			
KCC DKT #:	Will Cores be taken?			
	If Yes, proposed zone:			
	IDAVIT RECEIVED			
The undersigned hereby affirms that the drilling, completion and eventual pl	lugging of this well will comply with K.S.A. 55 et. seq.			
It is agreed that the following minimum requirements will be met:	MAY 2 6 2005			
 The appropriate district office will be notified before well is either plug If an ALTERNATE II COMPLETION, production pipe shall be cement Or pursuant to Appendix "B" - Eastern Kansas surface casing order 	et by circulating cement to the top; in all cases surface pipe shall be set the underlying formation. district office on plug length and placement is necessary prior to plugging;			
Date: 5/24/05 Signature of Operator or Agent:				
For KCC Use ONLY API # 15 - 265 - 26082 0000 Conductor pipe required WONE feet Minimum surface pipe required feet per Alt. 7 (2)	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;			
Approved by: P-795-2605	Obtain written approval before disposing or injecting salt water.			
(This authorization expires: 11-26-5 (This authorization void if drilling not started within 6 months of effective date.)	- If this permit has expired (See: authorized expiration date) please check the box below and return to the address below.			
Sould date:	Well Not Drilled - Permit Expired			
Spud date:Agent:	Signature of Operator or Agent:			
	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	Location of Well: County: Wilson			
Operator: Blue Jay Operating, LLC	660' feet from N / ✓ S Line of Section			
Lease: Richardson	1980' feet from E / W Line of Section			
Well Number: A-2	Sec. 35 Twp. 28S S. R. 14 Vest			
Field: Cherokee Basin Coal Gas				
Number of Acres attributable to well: 80	Is Section: 🗸 Regular or 🔲 Irregular			
QTR / QTR / QTR of acreage: C SE4 SW4	If Section is Irregular, locate well from nearest corner boundary. Section corner used: NE NW SE SW			

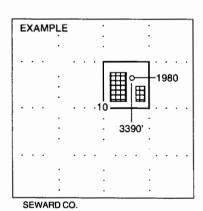
PLAT

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

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

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NOTE: In all cases locate the spot of the proposed drilling locaton.

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.
- 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; CG-8 for gas wells).