

| For KCC Use: | 3-27.05 |
|--------------|---------|
| District #   | 3       |
| [7           |         |

# KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form C-1 December 2002
Form must be Typed
Form must be Signed

| SGA? Yes No NOTICE OF IN I  Must be approved by KCC five (8   | 5) days prior to commencing well  |
|---|---|
| Expected Spud Date July 4, 2005   | Spot ✓ East   |
| month day year  | SE4 NE4 NE4 Sec. 4 Twp. 29S S. R. 14 West   |
| OPERATOR: License# 33342  | 990' feet from VN / S Line of Section   |
| Name: Blue Jay Operating, LLC   | 330' Feet from Feet from E / W Line of Section  |
| 4916 Camp Bowie Blvd., Suite 204  | Is SECTION _✓ Regular Irregular?  |
| Address:  City/State/Zip: Fort Worth, TX 76107  | (Note: Locate well on the Section Plat on reverse side)   |
| Contact Person: Bob McNew   | County: Wilson  |
| Phone: 918-625-4180   | Lease Name: Mayeske Well #: A-3   |
| 20000   | Field Name: Cherokee Basin Coal Gas   |
| CONTRACTOR: License# 33539 Cherokee Wells LLC   | Is this a Prorated / Spaced Field?  |
| Name: Cherokee Wells, LLC   | Target Formation(s): Mississippian  |
| Well Drilled For: Well Class: Type Equipment:   | Nearest Lease or unit boundary: 330'  |
|   | Ground Surface Elevation: 885' 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: Yes   ✓ No  |
| OWNO ✓ Disposal Wildcat Cable   | Depth to bottom of fresh water: 100+  |
| Seismic;# of Holes Other  | Depth to bottom of usable water: 200+   |
| 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:   |
|   | Well ✓ Farm Pond Other  |
| If Yes, true vertical depth:  | DWR Permit #:   |
| Bottom Hole Location:   | (Note: Apply for Permit with DWR )  |
| KCC DKT #:  | Will Cores be taken? Yes ✓ No   |
| VAS: 660' from N and 660' from E  | If Yes, proposed zone:  |
| IS: 990 FNL, 330 FEL AFFI   | DAVIT   |
| The undersigned hereby affirms that the drilling, completion and eventual plu   | racing of this wall will comply with K.S.A. EE at sac   |
| It is agreed that the following minimum requirements will be met:   | JUN 2 9 2005  |
| Notify the appropriate district office <i>prior</i> to spudding of well;  | COCIANA   |
| 2. A copy of the approved notice of intent to drill shall be posted on each   | n drilling rig:   |
| 3. The minimum amount of surface pipe as specified below shall be set   | t 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   | e underlying formation.   |
| <ol> <li>If the well is dry noie, an agreement between the operator and the di</li> <li>The appropriate district office will be notified before well is either plugg</li> </ol>   | strict office on plug length and placement is necessary <i>prior to plugging</i> ;  |
|   | ed 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  |
|   | pe 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.  |
| 0,07,05   | lotte De Karde and Agont  |
| Date: 6/27/05 Signature of Operator or Agent: War   |   |
|   | and Stratus agrie: Agric  |
|   | Remember to:  |
| For KCC Use ONLY  | Remember to: - File Drill Pit Application (form CDP-1) with Intent to Drill;  |
| 205, 26015, 20-00   |   |
| API # 15 - 205 - 26015 -00-00   | <ul> <li>File Drill Pit Application (form CDP-1) with Intent to Drill;</li> <li>File Completion Form ACO-1 within 120 days of spud date;</li> <li>File acreage attribution plat according to field proration orders;</li> </ul>   |
| API # 15 - 205 - 26015 -00-00  Conductor pipe required None feet  | <ul> <li>File Drill Pit Application (form CDP-1) with Intent to Drill;</li> <li>File Completion Form ACO-1 within 120 days of spud date;</li> <li>File acreage attribution plat according to field proration orders;</li> <li>Notify appropriate district office 48 hours prior to workover or re-entry;</li> </ul>   |
| API # 15 - 205 - 26015 -00-00  Conductor pipe required NonE feet  Minimum surface pipe required 40 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;   |
| API # 15 - 205 - 26015 -00-00  Conductor pipe required NonE feet  Minimum surface pipe required 40 feet per Alt. 7 (2)  Approved by: DPW 3.22-05   RT   7.1205  | 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.   |
| API # 15 - 205 - 26015 -00-00  Conductor pipe required None feet  Minimum surface pipe required 40 feet per Alt. 7 2  Approved by: DPW 3-22-05   RTP7-//205  This authorization expires: 9-22-05  | 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  |
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| API # 15 - 205 - 26015 -00-00  Conductor pipe required None feet  Minimum surface pipe required 40 feet per Alt. † 2  Approved by: DPW 3-22-05   RT 7-/205  This authorization expires: 9-22-05  (This authorization void if drilling not started within 6 months of effective date.) | 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. |
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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                                  | Location of Well: County: Wilson   |  |
|---|--|--|
| Operator: Blue Jay Operating, LLC           | 990' feet from VN/S Line of Section  |  |
| Lease: Mayeske                              | 330' feet from 🗸 E / W Line of Section   |  |
| Well Number: A-3                            | Sec. 4 Twp. 29S S. R. 14 VEast West  |  |
| Field: Cherokee Basin Coal Gas              |  |  |
| Number of Acres attributable to well: 80    | Is Section: 📝 Regular or 📗 Irregular   |  |
| QTR / QTR / QTR of acreage: SE4 - NE4 - NE4 | If Section is Irregular, locate well from nearest corner boundary.  Section corner used: NE NW SE SW |  |

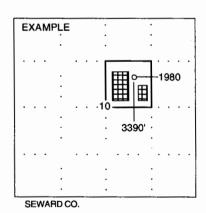
#### **PLAT**

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

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

|   |              |              | 990                                   |
|---|--------------|--------------|---------------------------------------|
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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.
- 4. 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).