

For KCC Use: 2-18-06  
 Effective Date: \_\_\_\_\_  
 District #: 3  
 SGA?  Yes  No

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

**RECEIVED**  
 KANSAS CORPORATION COMMISSION  
 Form C-1  
 December 2002  
**FEB 13 2006**  
 Form must be Typed  
 Form must be Signed  
 All blanks must be Filled  
 CONSERVATION DIVISION  
 WICHITA, KS

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

Expected Spud Date February 8, 2006  
 month day year

OPERATOR: License# 33342  
 Name: Blue Jay Operating, LLC  
 Address: 4916 Camp Bowie Blvd., Suite 204  
 City/State/Zip: Fort Worth, TX 76107  
 Contact Person: Bob McNew  
 Phone: 918-625-4180  
 CONTRACTOR: License# 33539  
 Name: Cherokee Wells, LLC

Spot  East  
 NW - NW - NE Sec. 28 Twp. 28 S. R. 14  West  
 430' feet from  N /  S Line of Section  
 2200' feet from  E /  W Line of Section  
 Is SECTION  Regular  Irregular?

Well Drilled For: Well Class: Type Equipment:  
 Oil  Enh Rec  Infield  Mud Rotary  
 Gas  Storage  Pool Ext.  Air Rotary  
 OWWO  Disposal  Wildcat  Cable  
 Seismic; # of Holes  Other

(Note: Locate well on the Section Plat on reverse side)  
 County: Wilson  
 Lease Name: Oneal Well #: A-12  
 Field Name: Cherokee Basin Coal Gas  
 Is this a Prorated / Spaced Field?  Yes  No  
 Target Formation(s): Mississippian  
 Nearest Lease or unit boundary: 430'  
 Ground Surface Elevation: 938 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' Minimum  
 Length of Conductor Pipe required: None  
 Projected Total Depth: 1350'  
 Formation at Total Depth: Mississippian  
 Water Source for Drilling Operations:  
 Well  Farm Pond Other \_\_\_\_\_  
 DWR Permit #: \_\_\_\_\_

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

**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 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: 2/1/06 Signature of Operator or Agent: \_\_\_\_\_ Title: Agent

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 WICHITA, KS

**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: \_\_\_\_\_

**For KCC Use ONLY**  
 API # 15 - 205-26359-0000  
 Conductor pipe required NONE feet  
 Minimum surface pipe required 40 feet per Alt. \* 2  
 Approved by: RJP 2-13-06  
 This authorization expires: 8-13-06  
 (This authorization void if drilling not started within 6 months of approval date.)  
 Spud date: \_\_\_\_\_ Agent: \_\_\_\_\_

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

28  
28  
145

**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: O Neal  
Well Number: A-12  
Field: Cherokee Basin Coal Gas  
Number of Acres attributable to well: 80 acres  
QTR / QTR / QTR of acreage: NW - NW - NE

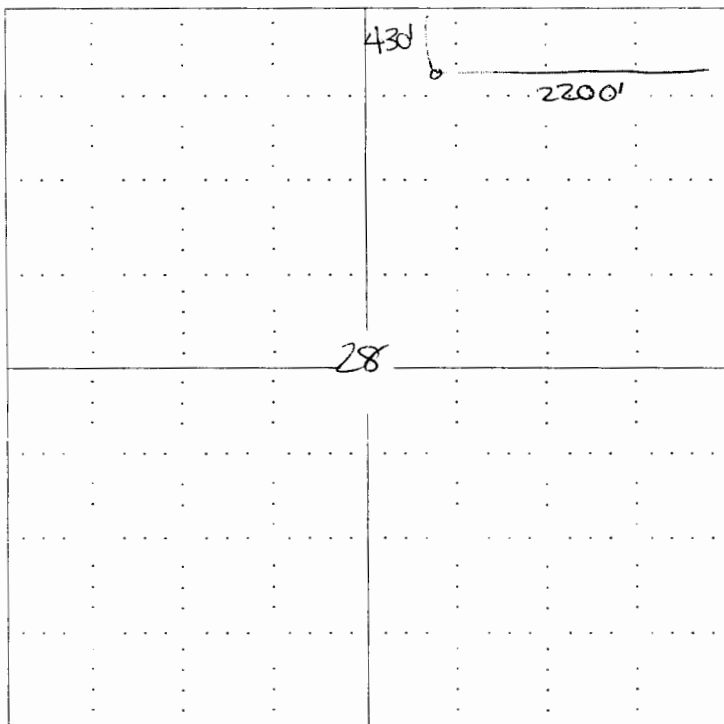
Location of Well: County: Wilson  
430' feet from  N /  S Line of Section  
2200' feet from  E /  W Line of Section  
Sec. 28 Twp. 28 S. R. 14  East  West

Is Section:  Regular or  Irregular

If Section is Irregular, locate well from nearest corner boundary.  
Section corner used:  NE  NW  SE  SW

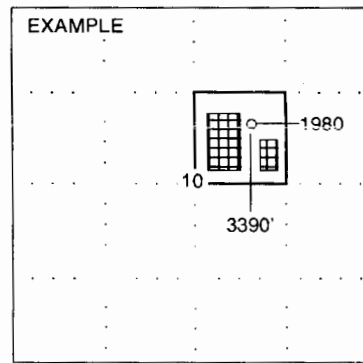
**PLAT**

*(Show location of the well and shade attributable acreage for prorated or spaced wells.)  
(Show footage to the nearest lease or unit boundary line.)*



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**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).