

For KCC Use: 3406
 Effective Date: _____
 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 2/22/06
 month day year

Spot _____ East
 C _____ SE4 _____ SE4 _____ Sec. 6 Twp. 28 S. R. 15E West
 660' _____ feet from N / S Line of Section
 660' _____ feet from E / W Line of Section
 Is SECTION Regular Irregular?

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

(Note: Locate well on the Section Plat on reverse side)
 County: Wilson
 Lease Name: Sewart F. Well #: A-1
 Field Name: Cherokee Basin Coal Gas

CONTRACTOR: License# 33072 ✓
 Name: Well Refined Drilling Co., Inc.

Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Mississippian

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

Nearest Lease or unit boundary: 660'
 Ground Surface Elevation: 846.7 feet MSL

If OWWO: old well information as follows:
 Operator: _____
 Well Name: _____
 Original Completion Date: _____ Original Total Depth: _____

Water well within one-quarter mile: Yes No
 Public water supply well within one mile: Yes No

Directional, Deviated or Horizontal wellbore? Yes No
 If Yes, true vertical depth: _____
 Bottom Hole Location: _____
 KCC DKT #: _____

Depth to bottom of fresh water: 100+
 Depth to bottom of usable water: 200+

RECEIVED
KANSAS CORPORATION COMMISSION
FEB 23 2006

Surface Pipe by Alternate: 1 2
 Length of Surface Pipe Planned to be set: 48' Minimum 20'

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 #: _____
 (Note: Apply for Permit with DWR)

Will Cores be taken? Yes No
 If Yes, proposed zone: _____

CONSERVATION DIVISION
WICHITA, KS
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: 2/22/06 Signature of Operator or Agent: Charotte D. Keplast Title: Agent

For KCC Use ONLY
 API # 15 - 205-26392-00-00
 Conductor pipe required NONE feet
 Minimum surface pipe required 20' feet per Alt. **X(2)**
 Approved by: DPW 2-24-06
 This authorization expires: 8-24-06
 (This authorization void if drilling not started within 6 months of approval 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.

Well Not Drilled - Permit Expired
 Signature of Operator or Agent: _____
 Date: _____

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

6
28
15E

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: Siewart F.

Well Number: A-1

Field: Cherokee Basin Coal Gas

Number of Acres attributable to well: 80 acres

QTR / QTR / QTR of acreage: C - SE4 - SE4

Location of Well: County: Wilson

660' feet from N / S Line of Section

660' feet from E / W Line of Section

Sec. 6 Twp. 28 S. R. 15E East West

Is Section: Regular or Irregular

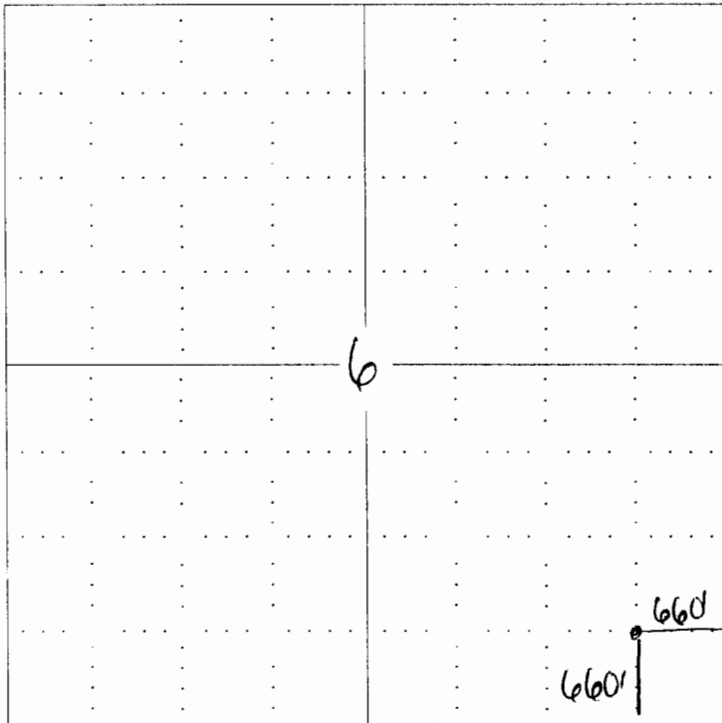
If Section is Irregular, locate well from nearest corner boundary.

Section corner used: NE NW SE SW

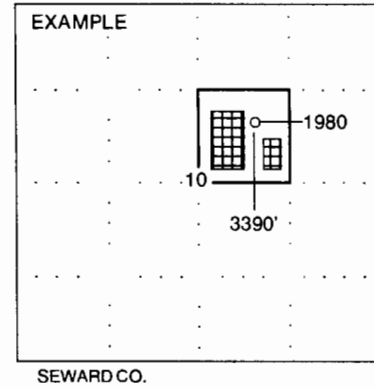
PLAT

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

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



RECEIVED
KANSAS CORPORATION COMMISSION
FEB 23 2006
CONSERVATION DIVISION
WICHITA, KS



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).