

SS - 11:00 40' - 85/8"

MAR 23 2006

4/7/06

1st Correction:  
WAS: DISPOSAL  
IS: GAS

For KCC Use: CONSERVATION DIVISION KANSAS CORPORATION COMMISSION  
Effective Date: 4-3-06  
District #: 3  
SQA?  Yes  No

OIL & GAS CONSERVATION DIVISION  
NOTICE OF INTENT TO DRILL

Form C-1  
December 2002  
Form must be Typed

**CORRECTED**

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

Expected Spud Date: 3/31/06  
month day year

Spot: S.N. #.  
C NW NW Sec. 28 Twp. 28S S. R. 14  East  West  
655 feet from  N /  S Line of Section  
660 feet from  E /  W Line of Section  
SECTION  Regular  Irregular?

OPERATOR: License# 33342  
Name: Blue Jay Operating LLC  
Address: 4916 Camp Bowie Blvd., Suite 204  
Fort Worth, TX 76107  
City/State/Zip:  
Contact Person: Jimmy McGuire  
Phone: 405-279-4313

(Note: Locate well on the Section Plat on reverse side)  
County: Wilson  
Lease Name: Oneal Well #: A-1063

CONTRACTOR: License# 33538  
Name: Cherokee Wells, LLC

Field Name: Cherokee Basin Coal Gas  
Is this a Prorated / Spaced Field?  Yes  No  
Target Formation(s): Mississippi

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

Nearest Lease or unit boundary: 655'  
Ground Surface Elevation: 388 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: Mississippi

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

Water Source for Drilling Operations:  
 Well  Farm Pond Other  
DWR Permit #: (Note: Apply for Permit with DV/R )

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

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

\* SKID RIL (Lost Hole) 15-205-26342-00-00

\* WAS: DISPOSAL IS: GAS

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-G, 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: 3/27/06 Signature of Operator or Agent: Charlotte D. Kepner Title: Agent

For KCC Use ONLY  
API # 15: 205-26461-00-00  
Conductor pipe required: NONE feet  
Minimum surface pipe required: 40' feet per Alt. X(2)  
Approved by: DW 3-29-06 / RM 4-19-06  
This authorization expires: 9-29-06  
(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 ACC-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

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RECEIVED  
APR 12 2006  
KCC WICHITA