

1st Correction

Form C-1
KCC Form No. 2002
Form must be signed
All blanks must be filled
CORRECTE

For KCC Use:
Effective Date: 4-2-06
District #: 3
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

*w/2 SE-NW-SE

Expected Spud Date 3/31/06 month day year
Spot SE SW SE Sec. 32 Twp. 27 S. R. 15E East West

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

AP. w/2
X 330 1648' feet from N / S Line of Section
1840 feet from E / W Line of Section
Is SECTION Regular Irregular?

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

(Note: I locate well on the Section Plat on reverse side)
County: Wilson
Lease Name: S. Matthews S. Matthews Well # A-3
Field Name: Cherokee Basin Coal Gas

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

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Mississippian
Nearest Lease or unit boundary: 330-800'

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

Ground Surface Elevation: Unknown 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+

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

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

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

RECEIVED
KANSAS CORPORATION COMMISSION

MAR 28 2006

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 3/27/06 Signature of Operator or Agent: Charlotte D. Kephart Title: Agent

For KCC Use ONLY
API # 15 - 205-26457-00-00
Conductor pipe required NONE feet
Minimum surface pipe required 20' feet per All. X (2)
Approved by: DPW 3-28-06 / ret 5-3-06
This authorization expires: 9-28-06
(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.
- 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

32
27
15E

RECEIVED
APR 27 2006
KCC WICHITA

WAS: 330 FSL IS: 1648' FSL
WAS 330 NLL IS 800' NLL
WAS:
S. Matthews
IS:
S. Matthews
WAS:
Add w/2 SE-SW-SE
ES:
Add w/2 SE-NW-SE