

For KCC Use:
 Effective Date: 9-3-05
 District #: 3
 SGA? Yes No

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION

^{2 NO} ^{2 NO}
CORRECTED

Form C-1
 December 2002
 Form must be Typed
 Form must be Signed
 All blanks must be Filled

NOTICE OF INTENT TO DRILL

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

Expected Spud Date August 29, 2005
 month day year

Spot East
 S2 SW NE4 Sec. 9 Twp. 29 S. R. 14 West
 2310' feet from N / S Line of Section
 2000' 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: Forth Worth, TX 78107
 Contact Person: Bob McNew
 Phone: 918-625-4180

(Note: Locate well on the Section Plat on reverse side)

County: Wilson
 Lease Name: Ward Well #: 9-A-4
 Field Name: Cherokee Basin Coal Gas

CONTRACTOR: License# 33539
 Name: Cherokee Wells, LLC

Is this a Prorated / Spaced Field? Yes No

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

Target Formation(s): Mississippian

Nearest Lease or unit boundary: 2000'

Ground Surface Elevation: 848' 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 #: _____

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No

If Yes, proposed zone: _____

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LAN 17 2006

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: 1/5/06 Signature of Operator or Agent: Charllette Kephart Title: Agent

CONSERVATION DIVISION
 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): Charllette Kephart

Date: 5/17/06

For KCC Use ONLY
 API # 15 - 205-26470-0000
 Conductor pipe required: None feet
 Minimum surface pipe required: 40 feet per Alt. **x 2**
 Approved by: RSP 8-29-05 9-21-05 Red 5-11-06
 This authorization expires: 2-28-06
 (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

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 MAY 19 2006
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 7/16