

CORRECTIONS

CORRECTED

For KCC Use: 7-19-06
Effective Date: _____
District # 3
SGA? Yes No

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

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

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

Expected Spud Date July 17, 2006
month day year

Spot NW NE4 Sec. 18 Twp. 28S S. R. 15 East
330' feet from N / S Line of Section
* 2310' 223'-1' 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: Jimmy McGuire
Phone: 405-279-4313

(Note: Locate well on the Section Plat on reverse side)
County: Wilson
Lease Name: S. Miller Well #: A-1
Field Name: Cherokee Basin Coal Gas
Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Mississippian

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

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

Nearest Lease or unit boundary: 330'
* Ground Surface Elevation: ~~Unknown~~ 902.3 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 OWWD: 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 #: _____

* WAS 2310' FROM E LINE IS 2231' FROM E LINE
* WAS UNKNOWN ELEVATION IS 902.3' ELEVATION

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: July 10, 2006 Signature of Operator or Agent: Charlotte D. Kephart Title: Agent

For KCC Use ONLY
API # 15: 205-26851-0000
Conductor pipe required: None feet
Minimum surface pipe required: 20 feet per Alt. Y(2)
Approved by: RAH 7-14-06 / RAH 8-11-06
This authorization expires: 1-14-07
(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: _____

18 28 15 E

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

RECEIVED

JUL 13 2006

KCC WICHITA

RECEIVED

AUG 10 2006

KCC WICHITA