For KCC Use: 9-19-06 For KCL CL. Effective Date: / Y N

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

FEATOR: License# 33942 3390 feet from N V S Line of Section Rest to my Note Section Note Section Note Section Note	xpected Spud Date 9/19/06	Opot :	ast
ERATOR: Licenses L	month day year		
In SECTION Regular Irregular? Note: Locate well on the Section Plat on reverse side) Note: Locate well on the Section Plat on the	PERATOR: License# 33342		
dess. 4916 Camp Bovie Black, 5-site 204 Most Cases well of the Section Plat on reverse side)	lama. Bille Jay Operating LLC	leet from [4] E 7 [1] W Line of Section	1
Visitatory Fort Worth, TX 9107 Moles Locate well on the Section Plat on reverse skelp	4916 Camp Bowie Blvd., Suite 204	Is SECTION _▼ Regular Irregular?	
Intell Person, Phonde Water Country ************************************	ity/State/Zip: Fort Worth, TX 76107		
Lease Name: McGrains Well #: No. Comparison	ontect Person: Rhonda Wilson	County: Wilson	
Field Name:	hone: (620) 378-3650	Lease Name: McGinnis Well #: A-3	
Target Formation(s): Cherokee Basin CoatMAssessicpian			
Nearest Lease or unit boundary. 2,310 Feet Nearest Lease Nearest Lease or unit boundary. 2,310 Feet Nearest Lease Neare	ONTRACTOR: License# 55072 lame: Well Refined Drilling Co., Inc	Target Formation(s). Cherokee Basin Coal/Mississippian	<u>No</u>
Ground Surface Elevation: 343 Get MS		Nearest Lease or unit boundary: 2,310 Feet	
Storage Pool Ext. Arr Potary Water well within one-quarter mile: Yes No No Disposal Wildcat Cable Other	Well Drilled For: Well Class: Type Equipment:	Ground Surface Elevation: 934.3 feet	MSL
Mono Disposal Pool Ext. All Rotary Delptin to bottom of rest water: 100 + Depth to bottom of usable water: 200 + Depth to bottom of usable water to suppose the undersigned that the folial paper water: 200 + Depth to bottom of usable water to suppose the undersigned that the folial paper water and usable paper water. 200 + Depth to bottom of usable water to suppose the kCC Distict 3 area, alternate if comented with a bottom of usable water to suppose to watere undersigned water: 200 + Depth to bottom of the subbottom of th		[No.
Depth to bottom of tresh water: 100 + Depth to bottom of tresh water: 100 + Depth to bottom of usable water: 200 - Surface Pipe Planned to be set: 40 Feet Missimum Length of Conductor Pipe required: Mone and the statements and of but and the provided plant plant of the statements and of here is a specified below shall be set by circulating cernent to the top; in all cases surface specified within 30 days of the spud date or the well shall be plugged. In all cases, NOTIFY district office prior to any cernenting. Per KCC Use ONLY Approved by PM 9 1/1-04 This authorization void if drilling not stated within 6 months of approval date. Depth to bottom of usable water: 200 - Depth to bottom of usable water. Approved by Apthreatic: 1		· · · · · · · · · · · · · · · · · · ·	' No
Selamic; if of Holes Other	OWWO Disposal Wildcat Cable		
Surface Pipe by Alternate:	Seismic;# of Holes Other	Depth to bottom of usable water: 200 +	
DOWNO: old well information as follows: Operator: Well Name: Operator: Well Name: Original Completion Date: Original Completion Date: Original Completion Date: Projected Total Depth: None Projected Total Depth: None None Projected Total Depth: None None Projected Total Depth: None None None Projected Total Depth: None None None None None None None None	Other	Surface Pipe by Alternate: 1 2	
Departor: Well Name: Original Completion Date: Original Completion Date:	DIABALO, and wall information as follows:	Length of Surface Pipe Planned to be set: 40 Feet Minimum	
Well Name: Original Completion Date: Original Completion Completion: Original Completion Completion: Original Co	•	Length of Conductor Pipe required: None	
Original Completion Date: Original Total Depth: Sectional, Devilated or Horizontal wellbore? Yes No No Water Source for Drilling Operations: Water Source of Drilling Operations: Water Source of Drilling Operation Commiss of Drilling Operation of Drilling Operation of Drilling Operations: Water Source of Drilling Operation Operatio		Projected Total Depth: 1,350 Feet	
water Source for Drilling Operations: Water Source for Drilling Operation Operation on Charge Water Source for Drilling Operation Operation Water Source for Drilling Operation Operation Water Source for Drilling Operation Operation Water Source for Drilling Operation Water Source for Drillin Water Source for Drillin Water Source for Drillin W			
DWR Permit #: (Note: Apply for Permit with DWR) Will Cores be taken? Yes N Will Cores be taken? Yes N If Yes, proposed zone:		Water Source for Drilling Operations:	
Will Cores be taken? Yes Note: Apply for Permit with DWR Yes Note: Approved by: Her Permit with DWR Yes Note: Approved within 6 months of approval date. Well Not Drilled - Permit Expired Note: Approved within 6 months of approval date. Well Not Drilled - Permit Expired Well Not Drilled - Permit Expi	rectional, Deviated or Horizontal wellbore?	Well Farm Pond Other	
AFFIDAVIT AFFIDAVIT AFFIDAVIT RECEIVED AFFIDAVIT RECEIVED AFFIDAVIT AFFIDAVIT RECEIVED AFFIDAVIT REPAY CONSERVATION PURISON CONSERVA	Yes, true vertical depth:	DWR Permit #:	
AFFIDAVIT RESCEIVED The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. SASSASCORPORATION COMMISS agreed that the following minimum requirements will be met: SEP 1 4 2006 SEP 1 4 2006 SEP 1 4 2006 CONSERVATION DIVISION The appropriate district office prior to spudding of well; A copy of the approved notice of intent to drill shall be posted on each drilling rig; CONSERVATION DIVISION The minimum amount of surface pipe as specified below shall be set by circulating cement to the top; in all cases surface with through all unconsolidated materials plus a minimum of 20 feet into the underlying formation. 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; The appropriate district office will be notified before well is either plugged or production casing is cemented in; if 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 Kanass surface asing order #133.891-C, which applies to the KCC District 3 area, alternate II cementin 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. The entropy certify that the statements made herein are true and to the best of my knowledge and belief. For KCC Use ONLY API # 15 - 205-26943-0000 File 205-26943-0000	ottom Hole Location:		-
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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 properties at 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. Title: Office Manager For KCC Use ONLY API # 15 - 205 - 26963 - 2000 Approved by: PH 9-/4-06 Minimum surface pipe required	AFF	If Yes, proposed zone:	
Pereby certify that the statements made herein are true and to the best of my knowledge and belief. Title: Office Manager For KCC Use ONLY API # 15 - 20 5 - 2 6 963-0000 Conductor pipe required	AFF ne undersigned hereby affirms that the drilling, completion and eventual p is agreed that the following minimum requirements will be met:	If Yes, proposed zone: IDAVIT RECEIVED lugging of this well will comply with K.S.A. SANSAS CORPORATION COMM	
For KCC Use ONLY API # 15 - 205-26963-0000 Conductor pipe required	AFF the undersigned hereby affirms that the drilling, completion and eventual properties 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 eat 3. The minimum amount of surface pipe as specified below shall be set through all unconsolidated materials plus a minimum of 20 feet into the set of the well is dry hole, an agreement between the operator and the control of the set of the specified before well is either plug than ALTERNATE II COMPLETION, production pipe shall be cement. Or pursuant to Appendix "B" - Eastern Kansas surface casing order.	If Yes, proposed zone: IDAVIT RECEIVED SEP 1 4 2006 CONSERVATION DIVISION The underlying formation. Received and placement is necessary prior to plugging received from below any usable water to surface within 120 days of spud date #133,891-C, which applies to the KCC District 3 area, alternate II ceme	AISSIO
For KCC Use ONLY API # 15 - 205-26963-0000 Conductor pipe required	AFF ne undersigned hereby affirms that the drilling, completion and eventual p 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 ea 3. The minimum amount of surface pipe as specified below shall be se through all unconsolidated materials plus a minimum of 20 feet into t 4. If the well is dry hole, an agreement between the operator and the c 5. The appropriate district office will be notified before well is either plug 6. If an ALTERNATE II COMPLETION, production pipe shall be cement Or pursuant to Appendix "B" - Eastern Kansas surface casing order must be completed within 30 days of the spud date or the well shall hereby certify that the statements made herein are true and to the best of	IDAVIT RECEIVED lugging of this well will comply with K.S.A. SANSAS CORPORATION COMM SEP 1 4 2006 ch drilling rig; conservation division by circulating cement to the top; in all cases surface with the underlying formation. district office on plug length and placement is necessary prior to pluggingled or production casing is cemented in; led from below any usable water to surface within 120 days of spud date #133,891-C, which applies to the KCC district 3 area, alternate the cementer of the plugged. In all cases, NOTIFY district office prior to any cementing of my knowledge and belief.	AISSIO
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Conductor pipe required None feet Minimum surface pipe required 40 feet per Alt. 22 Approved by: 44 9.14-04 This authorization void if drilling not started within 6 months of approval 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	AFF the undersigned hereby affirms that the drilling, completion and eventual pass 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 ea. 3. The minimum amount of surface pipe as specified below shall be set through all unconsolidated materials plus a minimum of 20 feet into the description of the well is dry hole, an agreement between the operator and the constitution of the set of	If Yes, proposed zone: IDAVIT RECEIVED RUGging of this well will comply with K.S.A. SANSAS CORPORATION COMM SEP 1 4 2006 Ch drilling rig; CONSERVATION DIVISION The underlying formation. Silistrict office on plug length and placement is necessary prior to plugging good or production casing is cernented in; seed from below any usable water to surface within 120 days of spud date #133,891-C, which applies to the KCC District 3 area, alternate the ceme be plugged. In all cases, NOTIFY district office prior to any cementing from knowledge and belief. Title: Office Manager Remember to:	AISSI
Conductor pipe required None feet Minimum surface pipe required 40 feet per Alt. Approved by: 44 9/406 Approved by: 44 9/406 This authorization void if drilling not started within 6 months of approval date.) This authorization void if drilling not started within 6 months of approval date.) Conductor pipe required 100 feet per Alt. 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	AFF the undersigned hereby affirms that the drilling, completion and eventual properties 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 ea. 3. The minimum amount of surface pipe as specified below shall be set through all unconsolidated materials plus a minimum of 20 feet into the set through all unconsolidated materials plus a minimum of 20 feet into the set of the well is dry hole, an agreement between the operator and the constitution of the surface plus and strict office will be notified before well is either plus of the appropriate district office will be notified before well is either plus of the spundate of the shall be completed within 30 days of the spund date or the well shall be rereby certify that the statements made herein are true and to the best of the spundate of the spundat	IDAVIT RECEIVED RUGging of this well will comply with K.S.A. SANSAS CORPORATION COMM SEP 1 4 2006 Ch drilling rig; CONSERVATION DIVISION The underlying formation. Silistrict office on plug length and placement is necessary prior to plugging good or production casing is cernented in; sed from below any usable water to surface within 120 days of spud date #133,891-C, which applies to the KCC District 3 area, alternate II ceme be plugged. In all cases, NOTIFY district office prior to any cementing f my knowledge and belief. Title: Office Manager Remember to: File Drill Pit Application (form CDP-1) with Intent to Drill;	MISSI ng; a. nting
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Approved by: PFF 7 14-D7 This authorization expires: 3-14-D7 (This authorization void if drilling not started within 6 months of approval date.) Well Not Drilled - Permit Expired	e undersigned hereby affirms that the drilling, completion and eventual personal suggestion and eve	IDAVIT RECEIVED lugging of this well will comply with K.S.A. SANSAS CORPORATION COMM SEP 1 4 2006 ch drilling rig; ch by circulating cement to the top; in all cases surface with the underlying formation. listrict office on plug length and placement is necessary prior to plugging god or production casing is cernented in; led from below any usable water to surface within 120 days of spud date #133,891-C, which applies to the KCC District 3 area, alternate II ceme be plugged. In all cases, NOTIFY district office prior to any cementing f my knowledge and belief. Title: Office Manager 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;	MISSI ng; a. nting
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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 - 205 - 26 963-0000	Location of Well: County:_	Wilson
Operator: Blue Jay Operating LLC	330	feet from N / V S Line of Section
Lease: McGinnis	2310	feet from VE / W Line of Section
Well Number: A-3	Sec. 5 Twp. 30	S. R. 14 East West
Field: Cherokee Basin Coal Gas		
Number of Acres attributable to well:	Is Section: 🕢 Regular	or Irregular
QTR / QTR / QTR of acreage: SE4	If Section is irregular, loc	cate well from nearest corner boundary.
	Section comer used:	IE NW SE SW

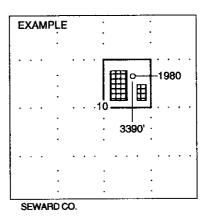
PLAT (Show location of the well and shade attributable acreage for prorated or spaced wells.) (Show footage to the nearest lease or unit boundary line.)

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RECEIVED KANSAS CORPORATION COMMISSION

SEP 1 4 2006

CONSERVATION DIVISION WICHITA, KS



NOTE: In all cases locate the spot of the proposed drilling locaton.

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.
- If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (C0-7 for oil wells; CG-8 for gas wells).

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form CDP-1 April 2004 Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Name: Blue Jay Operating	LLC		License Number: 33342
Operator Address: 4916 Camp Boy		te 204 For	Worth, TX 76107
Contact Person: Rhonda Wilson			Phone Number: (620) 378 - 3650
Lease Name & Well No.: McGinnis A	-3		Pit Location (QQQQ):
Type of Pit:	Pit is:		SE4 _ 50 _ 50 _ 5E
Emergency Pit Burn Pit	✓ Proposed	Existing	Sec. 5 Twp. 30S R. 14
Settling Pit Drilling Pit	If Existing, date con	nstructed:	330 Feet from North / South Line of Section
Workover Pit Haul-Off Pit			2210
(If WP Supply API No. or Year Drilled)	Pit capacity:		Feet from ✓ East / West Line of Section Wilson
	800	(bbls)	County
Is the pit located in a Sensitive Ground Water	r Area? 🔲 Yes 🛮 🛂	No.	Chloride concentration:mg/l (For Emergency Pits and Settling Pits only)
is the bottom below ground level?	Artificial Liner?		How is the pit lined if a plastic liner is not used?
✓ Yes No	Yes V	No	Natural Clay & Earth
Pit dimensions (all but working pits):	30 Length (fee	et) 40	Width (feet) N/A: Steel Pits
·	from ground level to de		
If the pit is lined give a brief description of the	e liner	Describe proce liner integrity, i	edures for periodic maintenance and determining CEIVED notuding any special monitoring. KANSAS CORPORATION COMP
If the pit is lined give a brief description of the	e liner e.	liner integrity, i	conservation Division wicking, Kansas corporation composition of the conservation of the conservation division wicking, Kansas corporation composition of the conservation division wicking, Ks.
If the pit is lined give a brief description of the material, thickness and installation procedure. Distance to nearest water well within one-mile.	e liner e. le of pit	Depth to shallo Source of infor	conservation Divisio west fresh waterfeet. maintenance and determiningsCEIVED KANSAS CORPORATION COMI SEP 1 4 2006 CONSERVATION DIVISIO WICHITA, KS
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