

For KCC Use: 8-30-04  
 Effective Date: \_\_\_\_\_  
 District #: 3  
 SGA?  Yes  No

KANSAS CORPORATION COMMISSION  
 OIL & GAS CONSERVATION DIVISION

Form C-1  
 September 1999  
**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 08 30 2004  
month day year

Spot C SW NW Sec. 22 Twp. 31S S. R. 16E  East  West  
1980 feet from S / N (circle one) Line of Section  
660 feet from E / W (circle one) Line of Section  
 Is SECTION  Regular  Irregular?

OPERATOR: License# 33365 ✓  
 Name: Layne Energy Operating, LLC  
 Address: 1900 Shawnee Mission Parkway  
 City/State/Zip: Mission Woods, KS 66205  
 Contact Person: Vic Dyal  
 Phone: 913-748-3987

(Note: Locate well on the Section Plat on reverse side)  
 County: Montgomery  
 Lease Name: Smith Well #: 5-22  
 Field Name: Coffeyville-Cherryvale

CONTRACTOR: License# 5831 ✓  
 Name: MOKAT Drilling

Is this a Prorated / Spaced Field?  Yes  No  
 Target Formation(s): Cherokee Coals

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"/> OWO	<input type="checkbox"/> Disposal	<input checked="" type="checkbox"/> Air Rotary
<input type="checkbox"/> Seismic;	# of Holes <input type="checkbox"/> Other	<input type="checkbox"/> Cable
<input type="checkbox"/> Other		

Nearest Lease or unit boundary: 660'  
 Ground Surface Elevation: 890' feet MSL

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

Water well within one-quarter mile:  Yes  No  
 Public water supply well within one mile:  Yes  No

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

Depth to bottom of fresh water: 150'  
 Depth to bottom of usable water: 200'

Surface Pipe by Alternate: 1  2  
 Length of Surface Pipe Planned to be set: 20'

Length of Conductor Pipe required: None  
 Projected Total Depth: 1250'

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: \_\_\_\_\_

**AFFIDAVIT**

RECEIVED  
 KANSAS CORPORATION COMMISSION

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55-101, et. seq. It is agreed that the following minimum requirements will be met:

**AUG 25 2004**

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. **In all cases, NOTIFY district office** prior to any cementing.

CONSERVATION DIVISION  
 WICHITA, KANSAS

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: 8/24/04 Signature of Operator or Agent: MR NATHAN Title: Agent

**For KCC Use ONLY**

API # 15 - 125-30614-00-00

Conductor pipe required None feet

Minimum surface pipe required 20 feet per Alt. 4 (2)

Approved by: RJP 8-25-04

This authorization expires: 2-25-05  
 (This authorization void if drilling not started within 6 months of effective 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.

22  
31  
16E

AUG 25 2004

Side Two

**IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW** CONSERVATION DIVISION  
WICHITA, KS  
*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 - \_\_\_\_\_  
Operator: Layne Energy Operating, LLC  
Lease: Smith  
Well Number: 5-22  
Field: Coffeyville-Cherryvale

Location of Well: County: Montgomery  
1980 \_\_\_\_\_ feet from S N (circle one) Line of Section  
660 \_\_\_\_\_ feet from E W (circle one) Line of Section  
Sec. 22 Twp. 31S S. R. 16E  East  West

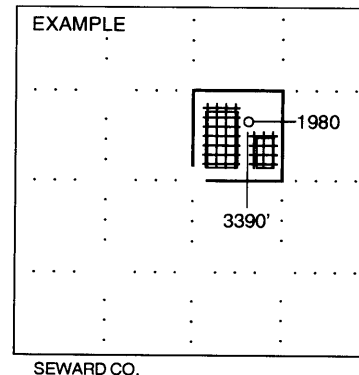
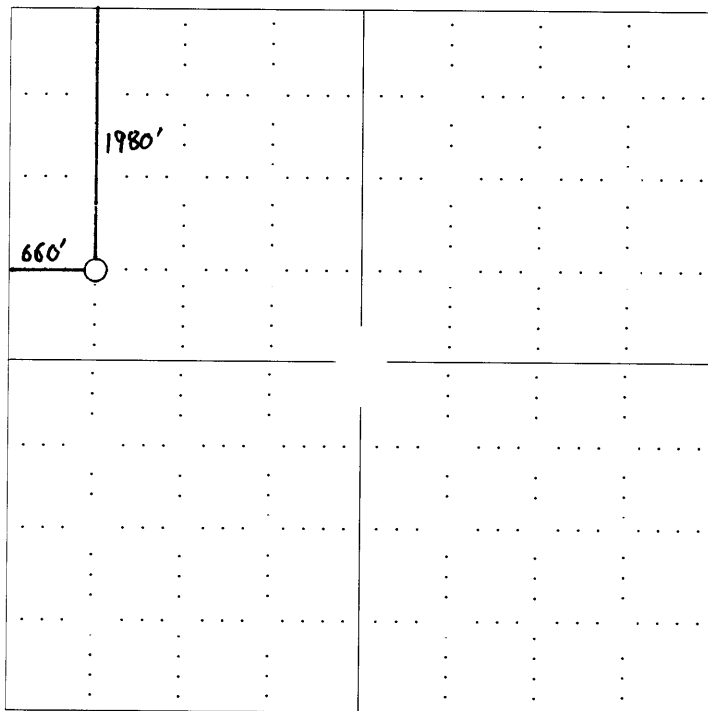
Number of Acres attributable to well: \_\_\_\_\_  
QTR / QTR / QTR of acreage: \_\_\_\_\_ - SW - NW

Is Section  Regular or \_\_\_\_\_ Irregular

**If Section is Irregular, locate well from nearest corner boundary.**  
Section corner used: \_\_\_ NE \_\_\_ 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.)



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

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