

SEP 15 2004

Form C-1  
September 1999

For KCC Use:  
Effective Date: 9.20.04  
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

CONSERVATION DIVISION  
WICHITA, KS  
Form must be Signed  
All blanks must be Filled

Expected Spud Date 09 20 2004  
month day year

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

CONTRACTOR: License# 5831  
Name: Mokat Drilling

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

If OWWO: 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 #: \_\_\_\_\_

Spot  East  West  
C SW NE Sec. 16 Twp. 33S S. R. 16E  
1980' feet from 5 N (circle one) Line of Section  
1980' feet from E W (circle one) Line of Section  
Is SECTION  Regular  Irregular?

(Note: Locate well on the Section Plat on reverse side)  
County: Montgomery  
Lease Name: Muller Well #: 7-16  
Field Name: Brewster  
Is this a Prorated / Spaced Field?  Yes  No  
Target Formation(s): Cherokee Coals  
Nearest Lease or unit boundary: 660'  
Ground Surface Elevation: 740 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 X 2  
Length of Surface Pipe Planned to be set: 20'  
Length of Conductor Pipe required: None  
Projected Total Depth: 1250 Feet  
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

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:

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.

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

Date: 9/14/04 Signature of Operator or Agent: [Signature] Title: Agent

For KCC Use ONLY  
API # 15 - 125-30645-00-0  
Conductor pipe required NONE feet  
Minimum surface pipe required 20 feet per Alt. 2  
Approved by: [Signature] 9-15-04  
This authorization expires: 3-15-05  
(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.

16  
33  
16F

SEP 15 2004

**IN ALL CASES PLOT THE INTENDED WELL ON THE PLAT BELOW**

*Plat of acreage attributable to a well in a prorated or spaced field*

CONSERVATION DIVISION  
WICHITA, KS

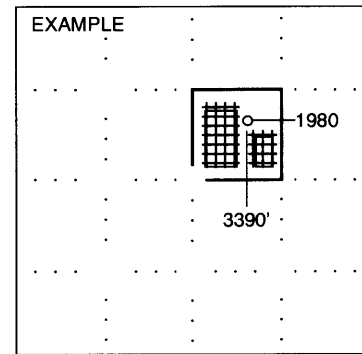
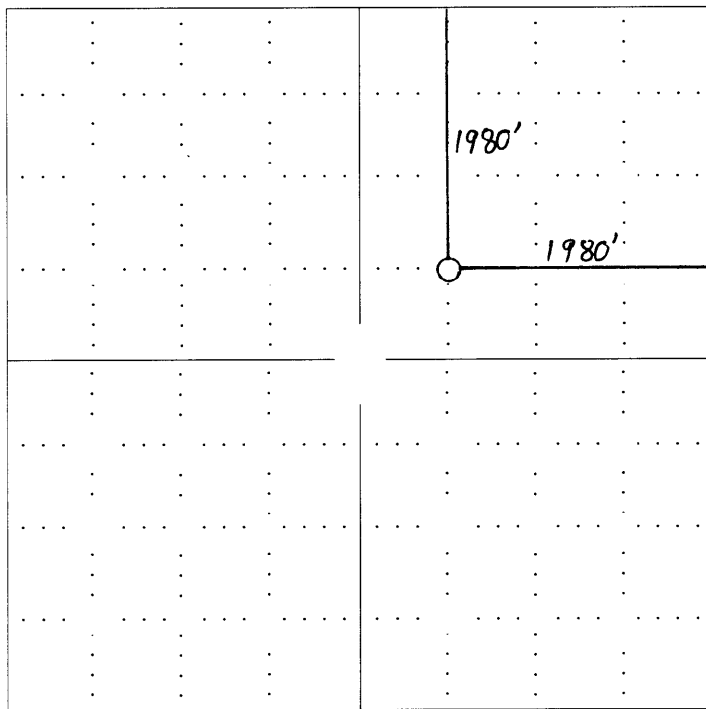
**If the intended well is in a prorated or spaced field, please fully complete this side of the form.** If the intended well is in a prorated or spaced field complete the plat below showing that the well will be properly located in relationship to other wells producing from the common source of supply. 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: Muller  
 Well Number: 7-16  
 Field: Brewster  
 Number of Acres attributable to well: \_\_\_\_\_  
 QTR / QTR of acreage: \_\_\_\_\_ - SW - NE

Location of Well: County: Montgomery  
 1980' \_\_\_\_\_ feet from S N (circle one) Line of Section  
 1980' \_\_\_\_\_ feet from E / W (circle one) Line of Section  
 Sec. 16 Twp. 33S S. R. 16E  East  West  
 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 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.
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).

# KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

September 15, 2004

Mr. Brent Natrass  
Layne Energy Operating, LLC  
1900 Shawnee Mission Parkway  
Mission Woods, KS 66205

RE: Drilling Pit Application  
Muller Lease Well No. 7-16  
NE/4 Sec. 16-33S-16E  
Montgomery County, Kansas

Dear Mr. Natrass:

District staff has reinspected the above referenced location and has determined that a reserve pit shall be constructed **without slots**, the bottom shall be flat and reasonably level, the pit should be no deeper than 3'-4' deep. The fluids are to be removed from the reserve pit as soon as practical after drilling operations have ceased.

**If production casing is set all completion fluids shall be removed on a daily basis.**

The fluids should be taken to an authorized disposal well. Please call the District Office at (620) 432-2300 when the fluids have been removed. Also, please file the enclosed CDP-5 form, Surface Pond Waste Transfer within 30 days of fluid removal.

**A copy of this letter should be posted in the doghouse along with the approved Intent to Drill.** If you have any questions or concerns please feel free to contact the undersigned at the above address.

Sincerely,



Kathy Haynes

Environmental Protection and Remediation Department

cc: S Korf