

For KCC Use: 5-11-05  
 Effective Date: \_\_\_\_\_  
 District #: 3  
 SGA?  Yes  No

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

Form C-1  
 September 1999  
**Form must be Typed**  
**Form must be Signed**  
**All blanks must be Filled**

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

Expected Spud Date May 10 2005  
month day year

Spot SE SE SE Sec. 12 Twp. 31S S. R. 14E  East  West

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

418 feet from (S) / (N) (circle one) Line of Section  
 352 feet from (E) / (W) (circle one) Line of Section  
 Is SECTION  Regular  Irregular?

CONTRACTOR: License# 5675  
 Name: McPherson

(Note: Locate well on the Section Plat on reverse side)  
 County: Montgomery  
 Lease Name: Kirk Well #: 16-12  
 Field Name: Cherokee Basin Coal Area

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

Is this a Prorated / Spaced Field?  Yes  No  
 Target Formation(s): Cherokee Coals  
 Nearest Lease or unit boundary: 352

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

Ground Surface Elevation: 956 feet MSL  
 Water well within one-quarter mile: Yes  No   
 Public water supply well within one mile:  Yes  No

Directional, Deviated or Horizontal wellbore?  Yes  No

Depth to bottom of fresh water: 150'   
 Depth to bottom of usable water: 200'   
 Surface Pipe by Alternate: 1  2

If Yes, true vertical depth: \_\_\_\_\_  
 Bottom Hole Location: \_\_\_\_\_  
 KCC DKT #: \_\_\_\_\_

Length of Surface Pipe Planned to be set: 20'  
 Length of Conductor Pipe required: None  
 Projected Total Depth: 1200 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**

RECEIVED  
 KANSAS CORPORATION COMMISSION  
 MAY 06 2005  
 CONSERVATION DIVISION  
 WICHITA, KS

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: May 5, 2005 Signature of Operator or Agent: MBS Natrass Title: Agent

**For KCC Use ONLY**  
 API # 15 - 125-30752-0000  
 Conductor pipe required NONE feet  
 Minimum surface pipe required 20 feet per Alt.  2  
 Approved by: DJPS-6-05  
 This authorization expires: 11-6-05  
 (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.

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

12  
31  
14E

**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 - \_\_\_\_\_  
 Operator: Layne Energy Operating, LLC  
 Lease: Kirk  
 Well Number: 16-12  
 Field: Cherokee Basin Coal Area  
 Number of Acres attributable to well: \_\_\_\_\_  
 QTR / QTR / QTR of acreage: \_\_\_\_\_ - SE - SE

Location of Well: County: Montgomery  
 418 \_\_\_\_\_ feet from (S) / N (circle one) Line of Section  
 352 \_\_\_\_\_ feet from (E) / W (circle one) Line of Section  
 Sec. 12 Twp. 31S S. R. 14E  East  West

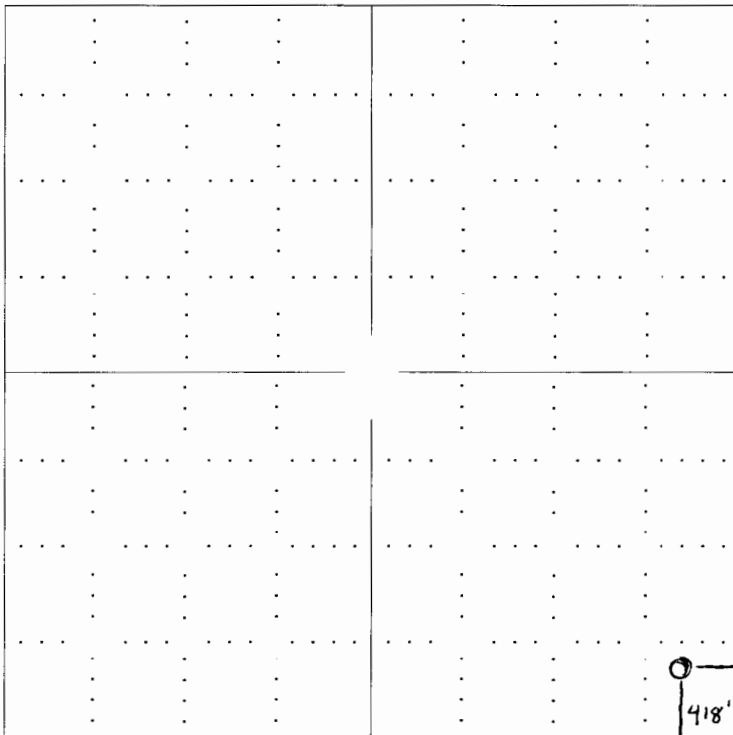
Is Section  Regular or \_\_\_\_\_ Irregular

**If Section is Irregular, locate well from nearest corner boundary.**

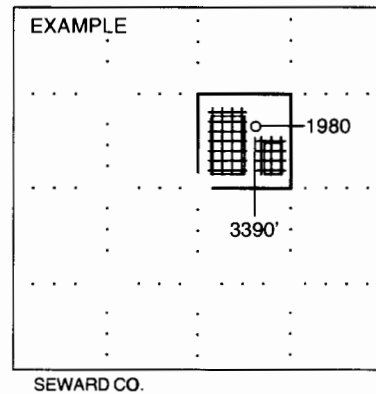
Section corner used: \_\_\_ NE \_\_\_ NW \_\_\_ SE \_\_\_ SW

**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.)*



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**MAY 06 2005**  
**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.
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).