District #

SGA? Yes No

* Amended (ntent-15:125.30752

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

RECEIVED CANSAS CORPORATION COMMISSION must be Typed

NOTICE OF INTENT TO DRILL

Form must be Signed Must be approved by KCC five (5) days prior to commencing well JUN 0 2 2005 blanks must be Filled

| Function Sout Date May 10 2005 | Spet CONSERVATION DIVISION Feet |
|---|---|
| Expected Spud Date | Spot or or 12WCHITA ICRC 14E |
| | |
| OPERATOR: License# | 980 feet from (S) N (circle one) Line of Section 330 feet from (E) W (circle one) Line of Section |
| Name: Layne Energy Operating, LLC | Is SECTION Regular Irregular? |
| Address: 1900 Shawnee Mission Parkway | is Section regular irregular? |
| City/State/Zip: Mission Woods, KS 66205 | (Note: Locate well on the Section Plat on reverse side) |
| Contact Person: Victor H Dyal | County: Montgomery |
| Phone: 913-748-3987 | Lease Name: Kirk Well #. 16-12 |
| 5675 | Field Name: Cherokee Basin Coal Area |
| CONTRACTOR: License# 5675 | Is this a Prorated / Spaced Field? |
| Name: McPherson | Target Formation(s): Cherokee Coals |
| Well Drilled For: Well Class: Type Equipment ✓ | Nearest Lease or unit boundary: 330 |
| | ★ Ground Surface Elevation: 954 feet MSL |
| Oii Enh Rec ✓ Infield Mud Rotary | Water well within one-quarter mile: Yes ✓ No - |
| Gas Storage Pool Ext. ✓ Air Rotary | Public water supply well within one mile: Yes ✓ No |
| OWWO Disposal Wildcat Cable | Depth to bottom of fresh water: 150' |
| Seismic; # of Holes Other | Depth to bottom of usable water: 200' |
| Other | Surface Pipe by Alternate:1 X2 |
| | |
| If OWWO: old well information as follows: | Length of Surface Pipe Planned to be set: 20' |
| Operator: | Length of Conductor Pipe required: None |
| Well Name: | Projected Total Depth: 1200 Feet |
| Original Completion Date:Original Total Depth: | Formation at Total Depth: Mississippian |
| | Water Source for Drilling Operations: |
| Directional, Deviated or Horizontal wellbore? Yes ✓ No | Well Farm Pond Other X |
| If Yes, true vertical depth: | DWR Permit #: |
| Bottom Hole Location: | (Note: Apply for Permit with DWR) |
| KCC DKT #: | Will Cores be taken? Yes ✓ No |
| X WAS: 418 FSL, 352 FEL SESESE | If Yes, proposed zone: |
| 100 - 100 11/16 | FIDAVIT ELEV. WAS = 956 WAS: 352 FNLL TS = 954 TS 330 FNL |
| 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 e | |
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Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

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

JUN 0 2 2005

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.

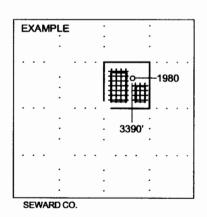
| API No. 15 | Location of Well: County: Montgomery | |
|--|---|--|
| Operator: Layne Energy Operating, LLC | | |
| Lease: Kirk | feet from S / N (circle one) Line of Section 330 feet from E / W (circle one) Line of Section | |
| Well Number: 16-12 Field: Cherokee Basin Coal Area | Sec. 12 Twp. 31S S. R. 14E Fast Wes | |
| Number of Acres attributable to well: | Is Section Regular or Irregular | |
| QTR / QTR / QTR of acreage:SESE | If Section is Irregular, locate well from nearest corner boundary. Section comer used:NENWSESW | |

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

In plotting the proposed location of the well, you must show:

- 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).