

For KCC Use: 5-31-05  
Effective Date: 3  
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 30 2005  
month day year

OPERATOR: License# 33365 (2-28-06)  
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

CONTRACTOR: License# 5675  
Name: McPherson (6-30-05)

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"/> Pool Ext.
<input type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat
<input type="checkbox"/> Seismic; # of Holes	<input type="checkbox"/> Other	<input type="checkbox"/> Mud Rotary
<input type="checkbox"/> Other		<input checked="" type="checkbox"/> Air Rotary
		<input type="checkbox"/> Cable

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 E/2NW SE SW Sec. 2 Twp. 31 S. R. 14  
 East  West  
1000 feet from (S) / N (circle one) Line of Section  
1800 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: Shultz Well #: 15-2  
Field Name: Cherokee Basin Coal Area

Is this a Prorated / Spaced Field?  Yes  No  
Target Formation(s): Cherokee Coals  
Nearest Lease or unit boundary: 1000  
Ground Surface Elevation: 893 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: 150'  
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: 1200 Feet

Formation at Total Depth: Mississippian  
Water Source for Drilling Operations:  
Well \_\_\_\_\_ Farm Pond \_\_\_\_\_ Other X  
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: May 25, 2005 Signature of Operator or Agent: MBS Natrass Title: Agent

**For KCC Use ONLY**  
API # 15 - 125-30768-00-00  
Conductor pipe required NONE feet  
Minimum surface pipe required 20 feet per Alt. 2  
Approved by: RJP 5-26-05  
This authorization expires: 11-26-05  
(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

23114E

**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: Shultz  
 Well Number: 15-2  
 Field: Cherokee Basin Coal Area  
 Number of Acres attributable to well: \_\_\_\_\_  
 QTR / QTR / QTR of acreage: \_\_\_\_\_ - SW - SE

Location of Well: County: Montgomery  
 \_\_\_\_\_ feet from (S) / N (circle one) Line of Section  
1800 feet from E (W) (circle one) Line of Section  
 Sec. 2 Twp. 31 S. R. 14  East  West

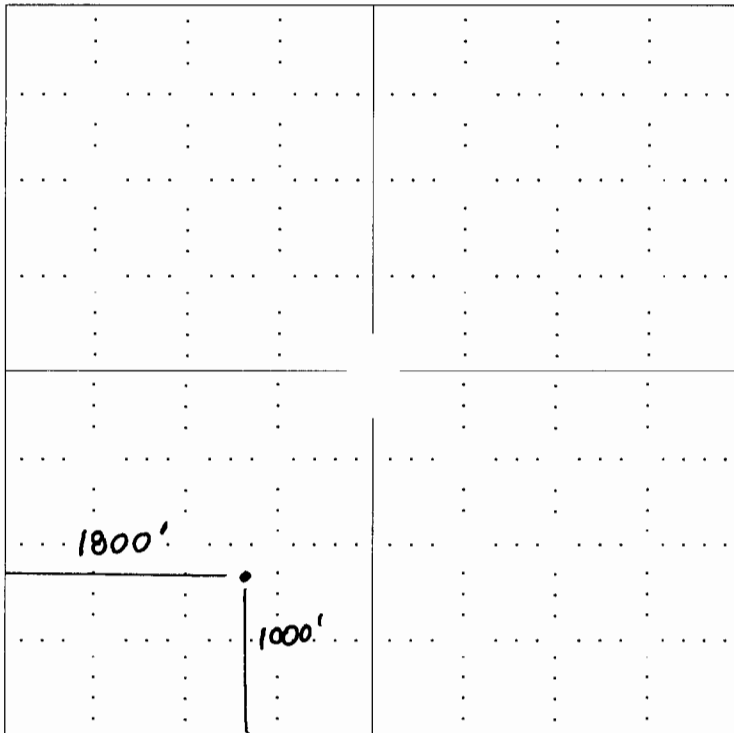
Is Section  Regular or \_\_\_\_\_ Irregular

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

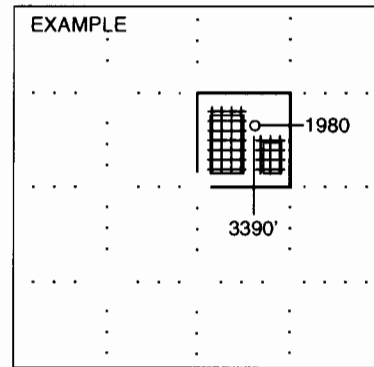
Section corner used: \_\_\_ NE \_\_\_ NW \_\_\_ SE \_\_\_ SW

**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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**KANSAS CORPORATION COMMISSION**  
**MAY 26 2005**  
**CONSERVATION DIVISION**  
**WICHITA KS**



SEWARD CO.

**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).