

CORRECTED

Corrected intent - 15-125-30833-00

For KCC Use: 8-28-03
Effective Date: 3
District #: 3
SGA? Yes No

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

Form C-1
December 2002
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 August 31 2005
month day year

Spot SE SE SW Sec. 26 Twp. 31 S. R. 16 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

RECEIVED
KANSAS CORPORATION COMMISSION

AUG 29 2005

59 feet from N / S Line of Section
2205 feet from E / W Line of Section
Is SECTION Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: Montgomery
Lease Name: Eastep Well #: 14-26
Field Name: Jefferson-sycamore

CONTRACTOR: License# 33606 CONSERVATION DIVISION
Name: Thorton Air WICHITA, KS

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Cherokee Coals

Nearest Lease or unit boundary: 330'

Ground Surface Elevation: 912 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 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

DWR Permit #: _____

(Note: Apply for Permit with DWR)

Will Cores be taken? Yes No

If Yes, proposed zone: _____

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

* Unit Boundary - INFO ATT.

AFFIDAVIT

WAS: SESW IS: SESESW

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. 55 et. seq.

It is agreed that the following minimum requirements will be met:

* WAS: 603' FSL, 200' FWL, SESW

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; IS: 59' FSL, 2205' FWL, SESESW
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. Or pursuant to Appendix "B" - Eastern Kansas surface casing order #133,891-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. **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: August 26, 2005 Signature of Operator or Agent: MB Natrass Title: Agent

For KCC Use ONLY

API # 15 - 125-30833-00-00

Conductor pipe required NONE feet

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

Approved by D PW 8-23-05/RJP 9-27-05

This authorization expires 2-23-06
(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.
- If this permit has expired (See: authorized expiration date) please check the box below and return to the address below.

Well Not Drilled - Permit Expired

Signature of Operator or Agent: _____
Date: _____

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

26 31 168

AUG 29 2005

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: Eastep

Well Number: 14-26

Field: Jefferson-sycamore

Number of Acres attributable to well: _____

QTR / QTR / QTR of acreage: _____ SE _____ SW

Location of Well: County: Montgomery

59 feet from N / S Line of Section

2205 feet from E / W Line of Section

Sec. 26 Twp. 31 S. R. 16 East West

Is Section: Regular or Irregular

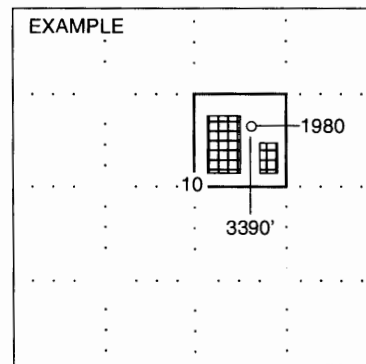
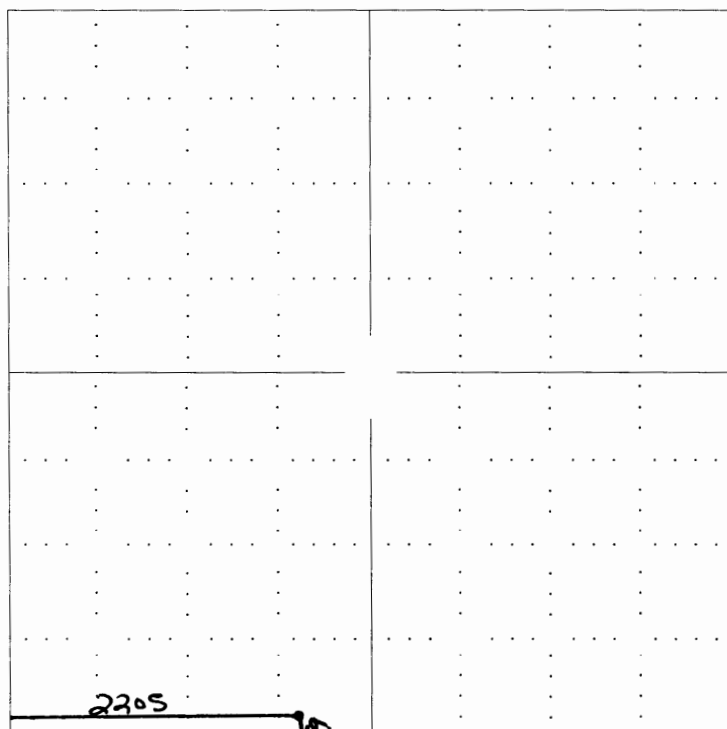
If Section is Irregular, locate well from nearest corner boundary.

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: (C0-7 for oil wells; CG-8 for gas wells).