

For KCC Use:
 Effective Date: 3-15-06
 District #: 3
 SGA? Yes No

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

CORRECTED

Form C-1
 December 2002
 Must be Typed
 Must be Signed
 All blanks must be Filled

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

Expected Spud Date March 14, 2006
 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: M. B. Natrass
 Phone: 913-748-3987

CONTRACTOR: License# 33606
 Name: Thornton Air

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

WAS: AP. NE-SE-SW-SW

Spot NE-NW-SW-SW
~~AP. NE-SE-SW-SW~~ Sec. 28 Twp. 30 S. R. 16
1296 feet from N / S Line of Section
408 feet from E / W Line of Section
 Is SECTION Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)
 County: Wilson
 Lease Name: Deer AX&P Well #: 13-28
 Field Name: Neodesha
 Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Cherokee Coals
 Nearest Lease or unit boundary: 342'
 Ground Surface Elevation: 786' 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: 900 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 IS: NE-NW-SW-SW
 RECEIVED
 KANSAS CORPORATION COMMISSION
 MAR 09 2006
 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 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 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: 3/8/06 Signature of Operator or Agent: M B Natrass Title: Agent

For KCC Use ONLY
 API # 15 - 205-26431-00-00
 Conductor pipe required NONE feet
 Minimum surface pipe required 20' feet per Alt. **X (2)**
 Approved by: DPW 3-10-06 / DPW 3-13-06
 This authorization expires: 9-10-06
 (This authorization void if drilling not started within 6 months of approval date.)
 Spud date: _____ Agent: _____

Remember to:

- File Drill Pit Application (form GDP-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: _____

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30
16E