

RECEIVED

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

MAR 09 2006

Form C-1  
October 2002  
Form must be signed  
All blanks must be filled

CORRECTED

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

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

CONSERVATION DIVISION  
WICHITA, KS

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: Thomton Air

Well Drilled For:  Oil  Enh Rec  Gas  CWMD  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 #: \_\_\_\_\_

\* Oil & Gas Lease attached

Spot  East  West  
Ap. 1982 2416 SW NW Sec. 23 Twp. 30 S. R. 16  
feet from  N /  S Line of Section  
663 398 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: Katzer Well #: 5-23  
Field Name: Neodesha

Is this a Prorated / Spaced Field?  Yes  No

Target Formation(s): Cherokee Coals

Nearest Lease or unit boundary: 668 398 (?) feet MSL

Ground Surface Elevation: 850 845 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  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 et. seq.

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

\* Footage was: 1982 FNL 663 FWL  
IS: 2416 FNL 398 FWL

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. 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 - 205-26427-00-00  
Conductor pipe required NONE feet  
Minimum surface pipe required 20' feet per Alt. X(2)  
Approved by: DPW 3-10-06 / RCH 4-19-06  
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 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

RECEIVED

APR 06 2006

CONSERVATION DIVISION  
WICHITA, KS

23  
30  
166