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For KCC Use: Effective Date: 2-14-06 District # 3 SGA? Yes No

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

RECEIVED CORRECTED KANSAS CORPORATION COMMISSION MAR 02 2006 Form must be Signed All blanks must be Filled CONSERVATION DIVISION WICHITA, KS

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

Expected Spud Date February 14, 2006 month day year

Spot East West SW SW NE Sec. 1 Twp. 31 S. R. 13 1980 1983 feet from N / S Line of Section 1980 2182 feet from E / W Line of Section

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

RECEIVED KANSAS CORPORATION COMMISSION

FEB 09 2006

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

(Note: Locate well on the Section Plat on reverse side) County: Montgomery Lease Name: Tull Well #: 7-1 Field Name: Cherokee Basin Coal Is this a Prorated / Spaced Field? Yes No Target Formation(s): Cherokee Coals Nearest Lease or unit boundary: 598' Ground Surface Elevation: 988 9910 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: 1500 Feet Formation at Total Depth: Mississippian Water Source for Drilling Operations: Well Farm Pond Other X DWR Permit #: _____

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

* Was: SW-NE 1980 FNL 1980 FEL IS SW-SW-NE 1983 FNL 2182 FEL

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:

- 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.

Footage: Was - 1980 FNL 1980 FEL IS - 1983 FNL 2182 FEL

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: February 8, 2006 Signature of Operator or Agent: MR Natrass Title: Agent

For KCC Use ONLY API # 15 - 125.30961-00-00 Conductor pipe required NONE feet Minimum surface pipe required 20 feet per Alt. 2 Approved by: RTP 2-9-06 / Rest 4-20-06 This authorization expires: 8-9-06 (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

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