For KCC Uses: Effective Date: 5-21-06 District # 3 SGA? Yes X No

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

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

May 21, 2006	Z Fact
Expected Spud Date May 21, 2006 month day year	Spot
, · · · ·	•
OPERATOR: License#	657 feet from N / V S Line of Section 660 feet from E / V W Line of Section
Name: Layne Energy Operating, LLC	Is SECTION ✓ RegularIrregular?
Address: 1900 Shawnee Mission Parkway	is Section — negular — inegular
City/State/Zip: Mission Woods, KS 66205	(Note: Locate well on the Section Plat on reverse side)
Contact Person: M. B. Nattrass Phone: 913-748-3987	County: Montgomery Lease Name: Dunham Well #: 13-10
•	Field Name: Neodesha
CONTRACTOR: License# 33606	
Name: Thorton Air	Is this a Prorated / Spaced Field? Target Formation(s): Cherokee Coals
	Nearest Lease or unit boundary: 657'
Well Drilled For: Well Class: Type Equipment:	Ground Surface Elevation: 874' feet MSL
Oil Enh Rec Infield Mud Rotary	Water well within one-quarter mile: Yes ✓ No
Gas Storage Pool Ext.	Public water supply well within one mile: Yes ✓ No
OWWO Disposal Wildcat Cable	Depth to bottom of fresh water: 150
Seismic; # of Holes Other	Depth to bottom of usable water: 200
Other	Surface Pipe by Alternate: 1 2
If OWWO: old well information as follows:	Length of Surface Pipe Planned to be set: 20'
Operator:	Length of Conductor Pipe required: None
Well Name:	Projected Total Depth: 1200 Feet
Original Completion Date:Original Total Depth:	Formation at Total Depth: Mississippian
Directional, Deviated or Horizontal wellbore? Yes ✓ No	Water Source for Drilling Operations:
Directional, Deviated or Horizontal wellbore? Yes V No If Yes, true vertical depth:	Well Farm Pond Other X
Bottom Hole Location:	DWR Permit #:
-	(Note: Apply for Permit with DWR)
KCC DKT #-	Will Cores he taken?
KCC DKT #:	Will Cores be taken? Yes ✓ No
	If Yes, proposed zone:
AFF	DAVIT KANSAS CORPORATION COMMISS
AFFI The undersigned hereby affirms that the drilling, completion and eventual pl	If Yes, proposed zone: RECEIVED RANSAS CORPORATION COMMISSION LUGGING OF this well will comply with K.S.A. 55 et. seq.
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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.

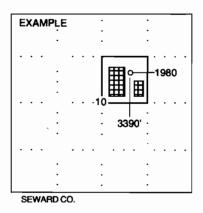
API No. 15-125-3/077-0000	Location of Well: County: Montgomery
Operator: Layne Energy Operating, LLC	657 feet from N / S Line of Section
Lease: Dunham	660 feet from E / V W Line of Section
Well Number: 13-10	Sec. 10 Twp. 31 S. R. 16 VEast West
Field: Neodesha	
Number of Acres attributable to well:	Is Section: 🕢 Regular or 🗌 Irregular
QTR / QTR / QTR of acreage: SW SW	If Section is Irregular, locate well from nearest corner boundary.
	Section comer 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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RECEIVED KANSAS CORPORATION COMMISSION MAY 1 6 2006

CONSERVATION DIVISION WICHITA, KS



NOTE: In all cases locate the spot of the proposed drilling locaton.

In plotting the proposed location of the well, you must show:

- 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.
- 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).

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

Form CDP-1 April 2004 Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Emergency Pit Burn Pit Proposed Existing Sec. 10 Twp. 31 R. 16 East West Setting Pit Pit capacity: Sec. 10 Twp. 31 R. 16 East South Line of Section					
Contact Person: M. B. Nattrass	Operator Name: Layne Energy O	perating, LLC	C	License Number: 33365	
Pit Location (QQQQ): Sye of Pit: SW . SW Setting Pit Drilling Pit Haul-Off Pit Pit capacity:	Operator Address: 1900 Shawne	ee Mission F	Parkway,	Mission Woods, K	S 66205
Pit Location (QQQQ): Sye of Pit: SW . SW Setting Pit Drilling Pit Haul-Off Pit Pit capacity:			<u> </u>		
SW SW SW SW SW SW SW SW		13-10			
Settling Pit	Type of Pit:			SWS	sw_
Workover Pit	Emergency Pit Burn Pit	 ✓ Proposed	Existing	Sec. 10 Twp. 31 R. 16	East West
Workover Pit	Settling Pit	If Existing, date co	onstructed:	657 Feet from No	orth / 🗸 South Line of Section
Montgomery County	Workover Pit Haul-Off Pit	Pit capacity:		660	
CFO Emergency Pits and Settling Pits only	(If WP Supply API No. or Year Drilled)	Fit Capacity.	(bbls)		
Cro Emergency Pits and Settling Pits only	Is the pit located in a Sensitive Ground Water	r Area? ☐ Yes 🗸	No	Chloride concentration:	mg/l
Yes No Yes No Self-sealing pit	·				
Describe procedures for periodic maintenance and determine CETYED liner integrity, including any special monitoring. Describe procedures for periodic maintenance and determine CETYED liner integrity, including any special monitoring. MAY 1 6 2006 CONSERVATION DIVISION WICHITA, KS Distance to nearest water well within one-mile of pit 1923 feet Depth of water well LY feet measured well owner electric log KDWR Emergency, Settling and Burn Pits ONLY: Droducing Formation: Number of producing wells on lease: Number of producing wells on lease: Does the slope from the tank battery allow all spilled fluids to low into the pit? Yes No I hereby certify that the above statements are true and correct to the best of my knowledge and belief. KCC OFFICE USE ONLY			No	l ' '	er is not used?
Depth from ground level to deepest point: 3'				Self-Sealing pil	
Describe procedures for periodic maintenance and determin SCEIVED liner integrity, including any special monitoring. MAY 1 6 2006 CONSERVATION DIVISION WIGHTN, KS Distance to nearest water well within one-mile of pit 1923 feet Depth of water well L4 feet measured well owner electric log KDWR Emergency, Settling and Burn Pits ONLY: Producing Formation: Number of producing wells on lease: Number of producing wells on lease: Describe procedures for periodic maintenance and determin NSCEIVED MANSAS CORPORATION COMM WIGHTN, KS Depth to shallowest fresh water 12 feet. Source of information: MIN 16 2006 CONSERVATION DIVISION WICHTN, KS Distance to nearest water well within one-mile of pit Source of information: MIN 16 2006 CONSERVATION DIVISION WICHTN, KS Distance to nearest water well within one-mile of pit Source of information: MIN 16 2006 CONSERVATION DIVISION WICHTN, KS Depth to shallowest fresh water 12 feet. Source of information: MIN 16 2006 CONSERVATION DIVISION WICHTN, KS Depth to shallowest fresh water 12 feet. Source of information: MIN 16 2006 CONSERVATION DIVISION WICHTN, KS Depth to shallowest fresh water 12 feet. Source of information: MIN 16 2006 CONSERVATION DIVISION WICHTN, KS Depth to shallowest fresh water 12 feet. Source of information: MIN 16 2006 CONSERVATION DIVISION WICHTN, KS Depth to shallowest fresh water 12 feet. Source of information: MIN 16 2006 CONSERVATION DIVISION WICHTN, KS Depth to shallowest fresh water 12 feet. Source of information: MIN 16 2006 CONSERVATION DIVISION MICHIN, KS Depth to shallowest fresh water 12 feet. Source of information: MIN 16 2006 CONSERVATION DIVISION MICHIN, KS Depth to shallowest fresh water 12 feet. Source of information: MIN 16 2006 CONSERVATION DIVISION MICHIN, KS Depth to shallowest fresh water 12 feet. Source of information: MIN 16 2006 CONSERVATION DIVISION MICHIN, KS Depth to shallowest fresh water 12 feet. Source of information: MIN 16 2006 CONSERVATION DIVISION MIN 16 2006	Pit dimensions (all but working pits):		.,	Width (feet)	N/A: Steel Pits
Iliner integrity, including any special monitoring. KANSAS CORPORATION COMM MAY 1 6 2006 CONSERVATION DIVISION WICHITA, KS Distance to nearest water well within one-mile of pit 1923 feet Depth of water well L4 feet			eenest point: 3'	(feet)	
Source of information: which was a source of information: well owner electric log KDWR Source of information: well owner electric log KDWR	If the pit is lined give a brief description of the	e liner	Describe proce	edures for periodic maintenance ar	KANSAS CORPORATION COM
The producing Formation:	If the pit is lined give a brief description of the	e liner	Describe proce	edures for periodic maintenance ar	KANSAS CORPORATION COMM MAY 1 6 2006 CONSERVATION DIVISION
Type of material utilized in drilling/workover: Fresh Water Mud Number of producing wells on lease: Barrels of fluid produced daily: Does the slope from the tank battery allow all spilled fluids to low into the pit? I hereby certify that the above statements are true and correct to the best of my knowledge and belief. Signature of Applicant or Agent	If the pit is lined give a brief description of the material, thickness and installation procedur	e liner re.	Describe proce liner integrity, i	edures for periodic maintenance at including any special monitoring.	KANSAS CORPORATION COMM MAY 1 6 2006 CONSERVATION DIVISION WICHITA, KS
Number of producing wells on lease: Sarrels of fluid produced daily: Does the slope from the tank battery allow all spilled fluids to leave into the pit? Yes No No No No No No No N	If the pit is lined give a brief description of the material, thickness and installation procedure. Distance to nearest water well within one-mile.	e liner re.	Describe proce liner integrity, in Depth to shalk Source of infor	edures for periodic maintenance an including any special monitoring.	KANSAS CORPORATION COMMAY 1 6 2006 CONSERVATION DIVISION WICHITTA, KS _feet.
Abandonment procedure: Let Evaporate until dry and then backfill Poses the slope from the tank battery allow all spilled fluids to low into the pit? Yes No No No No No No No N	If the pit is lined give a brief description of the material, thickness and installation procedure. Distance to nearest water well within one-milestance to nearest water well within one-milestance.	e liner re. ele of pit	Describe proceed iner integrity, in the process of information of the process of	edures for periodic maintenance an including any special monitoring. Divest fresh water	KANSAS CORPORATION COMMAY 1 6 2006 CONSERVATION DIVISION WICHITTA, KS feet
Does the slope from the tank battery allow all spilled fluids to flow into the pit? Yes No Drill pits must be closed within 365 days of spud date. I hereby certify that the above statements are true and correct to the best of my knowledge and belief. Signature of Applicant or Agent Signature of Applicant or Agent	Distance to nearest water well within one-mil 1923 feet Depth of water well Emergency, Settling and Burn Pits ONLY	e liner re. ile of pit l'feet ':	Describe proof liner integrity, if the proof measure of material type of m	edures for periodic maintenance an including any special monitoring. Divest fresh water	KANSAS CORPORATION COMMAY 1 6 2006 CONSERVATION DIVISION WICHITTA, KS feet
Drill pits must be closed within 365 days of spud date. hereby certify that the above statements are true and correct to the best of my knowledge and belief. S / 15 / 06	Distance to nearest water well within one-mil 1923 feet Depth of water well Emergency, Settling and Burn Pits ONLY Producing Formation:	e liner re. ile of pit l'feet ':	Describe proceed iner integrity, is source of informeast Drilling, Work Type of material Number of work in the source of the sou	edures for periodic maintenance an including any special monitoring. Department of the special monitoring of the special monitoring.	KANSAS CORPORATION COMI MAY 1 6 2006 CONSERVATION DIVISION WICHITTA, KS feet. Solectric logKDWR
5/15/06 Date MS Atthes Signature of Applicant or Agent KCC OFFICE USE ONLY	Distance to nearest water well within one-mil 1923 feet Depth of water well Emergency, Settling and Burn Pits ONLY Producing Formation:	e liner re. ile of pit l'feet ':	Depth to shalk Source of informeast Drilling, Work Type of materi Number of work Abandonment	edures for periodic maintenance an including any special monitoring. Department of the special monitoring of the special monitoring.	KANSAS CORPORATION COMI MAY 1 6 2006 CONSERVATION DIVISION WICHITTA, KS feet. Solectric logKDWR
KCC OFFICE USE ONLY	Distance to nearest water well within one-mile to the material, thickness and installation procedure. Distance to nearest water well within one-mile to procedure. The procedure of the procedu	e liner re. ele of pit l={feet}	Describe proof liner integrity, in the store. Depth to shalk Source of information measurements. Drilling, Work Type of material Number of work Abandonment restore.	edures for periodic maintenance an including any special monitoring. Department of the procedure of the periodic maintenance and including any special monitoring. I Separate of the periodic maintenance and procedure of the periodic maintenance and procedure of the periodic maintenance and procedure of the periodic maintenance and periodic maintenance and periodic maintenance and procedure of the periodic maintenance and periodic maintenance	MAY 1 6 2006 CONSERVATION DIVISION WICHITIA, KS feet. Solectric log KDWR esh Water Mud
	Distance to nearest water well within one-mile to nearest water well within one-mile to producing feet to the producing formation: Number of producing wells on lease: Barrels of fluid produced daily: Does the slope from the tank battery allow at flow into the pit?	e liner re. ele of pit feet :	Describe proof liner integrity, in liner integ	edures for periodic maintenance an including any special monitoring. Department of the procedure of the periodic maintenance and maintenance and procedure of the periodic maintenance and maintenance and procedure of the periodic maintenance of the periodic maintenanc	MAY 1 6 2006 CONSERVATION DIVISION WICHITIA, KS feet. Solectric log KDWR esh Water Mud
Date Received: 5/16/06 Resmit Number: Permit Date: 5/16/06 Lease Inspection: Ver 6/No	Distance to nearest water well within one-mile to nearest water well within one-mile to producing feet to the producing formation: Number of producing wells on lease: Barrels of fluid produced daily: Does the slope from the tank battery allow at flow into the pit?	e liner re. ele of pit feet :	Describe proceed iner integrity, is seen integrity, in the seen integrity, in the seen integrity, is seen integrity, in the seen integrity, in the seen integrity, is seen integrity, in the s	edures for periodic maintenance an including any special monitoring. Department of the periodic maintenance and including any special monitoring. Department of the periodic maintenance and periodic monitoring. Department of the periodic monitoring monitorin	MAY 1 6 2006 CONSERVATION DIVISION WICHITIA, KS feet. Solectric log KDWR esh Water Mud
	Distance to nearest water well within one-mile to nearest water well within one-mile to producing feet to the producing formation: Number of producing wells on lease: Barrels of fluid produced daily: Does the slope from the tank battery allow at flow into the pit?	e liner re. ile of pit L' feet 7: Ill spilled fluids to	Describe proof liner integrity, in liner integ	edures for periodic maintenance an including any special monitoring. Department of the control	MAY 1 6 2006 CONSERVATION DIVISION WICHITIA, KS feet. Solectric log KDWR esh Water Mud