For KCC Use: Effective Date: _ SGA? Yes 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

Expected Spud Date August 1, 2006	Spot ✓ East
month day year	<u>NE</u> - <u>NW</u> Sec. <u>26</u> Twp. <u>30</u> S. R. <u>14</u> West
OPERATOR: License#_33365	660feet from ✓ N / S Line of Section
Name: Layne Energy Operating, LLC	1980feet from E / W Line of Section
Address: 1900 Shawnee Mission Parkway	Is SECTION _✓RegularIrregular?
Address: City/State/Zip: Mission Woods, KS 66205	
City/State/Zip: Contact Person: Greg Embery	(Note: Locate well on the Section Plat on reverse side) County: Wilson
Phone: 913-748-3987	Lease Name: Compton Well #: 3-26
	Field Name: Cherokee Basin Coal
CONTRACTOR: License# 33606	
Name: Thornton Air	Is this a Prorated / Spaced Field? Target Formation(s): Cherokee Coals Yes ✓ No
	larget Formation(s): One-to-recorded Codes
Well Drilled For: Well Class: Type Equipment:	Nearest Lease or unit boundary: 660
Oil Enh Rec Infield Mud Rotary	Ground Surface Elevation: 894 feet MSL
Gas Storage Pool Ext. Air Rotary	Water well within one-quarter mile:
OWWO Disposal Wildcat Cable	Public water supply well within one mile: Yes ✓ No
Seismic:# of Holes Other	Depth to bottom of fresh water: 150
Other	Depth to bottom of usable water: 200
	Surface Pipe by Alternate: 1 2 2 Length of Surface Pipe Planned to be set: 20 40 Minimum
If OWWO: old well information as follows:	
Operator:	Length of Conductor Pipe required: None
Well Name:	Projected Total Depth: 1500 Feet
Original Completion Date:Original Total Depth:	Formation at Total Depth: Mississippian
^	Water Source for Drilling Operations:
Directional, Deviated or Horizontal wellbore? Yes ✓ No	Well Farm Pond Other X
If Yes, true vertical depth:	DWR Permit #:
Bottom Hole Location:	(Note : Apply for Permit with DWR)
KCC DKT #:	Will Cores be taken? Yes ✓ No
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	If Yes, proposed zone:
AFF	If Yes, proposed zone:
AFF The undersigned hereby affirms that the drilling, completion and eventual p	If Yes, proposed zone: FIDAVIT FIDAVIT SECEIVED SANSAS CORPORATION COMMISSION
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The undersigned hereby affirms that the drilling, completion and eventual plants 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 and a specified below shall be so through all unconsolidated materials plus a minimum of 20 feet into the well is dry hole, an agreement between the operator and the states. The appropriate district office will be notified before well is either plus for pursuant to Appendix "B" - Eastern Kansas surface casing order must be completed within 30 days of the spud date or the well shall be remarked by that the statements made herein are true and to the best of the spud states. Date: July 27, 2006 Signature of Operator or Agent: For KCC Use ONLY API # 15 - 205-26893-000 Conductor pipe required	FIDAVIT Drugging of this well will comply with K.S.A. 55 etc. Sec. CORPORATION COMMISSION JUL 2 8 2006 CONSERVATION DIVISION the underlying formation. district office on plug length and placement is necessary prior to plugging; gged or production casing is cemented in; thed from below any usable water to surface within 120 days of spud date. r #133,891-C, which applies to the KCC District 3 area, alternate II cementing be plugged. In all cases, NOTIFY district office prior to any cementing. of my knowledge and belief. 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.

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.

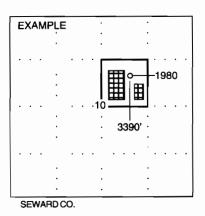
API No. 15 - 205-26893-0000	Location of Well: County: Wilson
Operator: Layne Energy Operating, LLC	660 feet from V N / S Line of Section
Lease: Compton	1980 feet from E / V W Line of Section
	Sec. <u>26</u> Twp. <u>30</u> S. R. <u>14</u> ✓ East Wes
Field: Cherokee Basin Coal	
Number of Acres attributable to well:	Is Section: Regular or Irregular
QTR / QTR of acreage: NE NW	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.)

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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:

- 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.
- 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

Operator Name: Layne Energy O	perating, LL(License Number: 33365	
			Mission Woods, KS 66205	
Contact Person: Greg Embery		Phone Number: (913) 748 - 3987		
Lease Name & Well No.: Compton 3	3-26		Pit Location (QQQQ):	
Type of Pit:	Pit is:			
Emergency Pit Burn Pit	Proposed Existing		Sec. 26 Twp. 30 R. 14	
Settling Pit Drilling Pit	If Existing, date constructed:		660 Feet from North / South Line of Section	
Workover Pit Haul-Off Pit Haul-Off Pit	Pit capacity:		Feet from East / 🗹 West Line of Section	
		(bbls)	WilsonCounty	
Is the pit located in a Sensitive Ground Water	Area? ☐ Yes ✓] No /	Chloride concentration: mg/l (For Emergency Pits and Settling Pits only)	
Is the bottom below ground level?	Artificial Liner?		How is the pit lined if a plastic liner is not used?	
✓ Yes No	Yes ✓	No 	Self-sealing pit	
i it amonotono (an bat working pito):	O' Length (fe	-	Width (feet) N/A: Steel Pits	
Depth fr	om ground level to de			
If the pit is lined give a brief description of the material, thickness and installation procedure		Describe proce liner integrity, in	edures for periodic maintenance and determining SCEIVED KANSAS CORPORATION COMM JUL 2 3 2006 CONSERVATION DIVISION	
		west fresh waterfeet.	`	
feet Depth of water well _	• •	Source of information: measured well owner electric log KDWR		
Emergency, Settling and Burn Pits ONLY:		Drilling, Workover and Haul-Off Pits ONLY:		
Producing Formation:		Type of materia	al utilized in drilling/workover: Fresh Water Mud	_
Number of producing wells on lease: Number of working pits to be utilized: Two			3	
Barrels of fluid produced daily: Abandonment procedure: Let Evaporate until dry and then backfill		procedure: Let Evaporate until dry and then backfill	\mathcal{U}	
Does the slope from the tank battery allow all spilled fluids to flow into the pit? Yes No No No Prill pits must be closed within 365 days of spud date.			7	
I hereby certify that the above state	ments are true and o	correct to the bes	t of my knowledge and belief.	26
I hereby certify that the above statements are true and correct to the best of my knowledge and belief. July 27, 2006 Date KCC OFFICE USE ONLY				
KCC OFFICE USE ONLY				
Date Received: 7/28/06 Permit Num	ber:	Perm		

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

J