

CORRECTED

For KCC Use: 7-10-06
Effective Date: 3
District # 3
SGA? Yes No

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

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

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

Expected Spud Date July 7, 2006
month day year

Spot _____ NW SE Sec. 13 Twp. 32 S. R. 16 East West

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

* 1980 1755 feet from N / S Line of Section
* 1980 2421 feet from E / W Line of Section
Is SECTION Regular Irregular?

CONTRACTOR: License# 33606 ✓
Name: Thorton Air

(Note: Locate well on the Section Plat on reverse side)
County: Montgomery
Lease Name: Krisley Well #: 10-13
Field Name: Coffeyville - Cherryvale

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

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Cherokees Coals

* Nearest Lease or unit boundary: 660 885
* Ground Surface Elevation: 840 831 feet MSL

If OWWO: old well information as follows:
Operator: _____
Well Name: _____
Original Completion Date: _____ Original Total Depth: _____

Water well within one-quarter mile: Yes No
Public water supply well within one mile: Yes No

Directional, Deviated or Horizontal wellbore? Yes No

Depth to bottom of fresh water: 150
Depth to bottom of usable water: 200

If Yes, true vertical depth: _____
Bottom Hole Location: KANSAS CORPORATION COMMISSION
KCC DKT #: _____

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: _____

Oil & Gas Lease Attached JUL 28 2006

CONSERVATION DIVISION AFFIDAVIT

The undersigned hereby affirms that the drilling, completion and eventual plugging of this well will comply with K.S.A. _____
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 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: 6/30/2006 Signature of Operator or Agent: MKB Natrass Title: Agent

For KCC Use ONLY
API # 15 - 125-31143-0000
Conductor pipe required None feet
Minimum surface pipe required 20 feet per Alt. X(2)
Approved by: Rut 7-5-06 / Natr 7-31-06
This authorization expires: 1-5-07
(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.

Well Not Drilled - Permit Expired
Signature of Operator or Agent: _____
Date: _____

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

* Location was: 1980 FSL 1980 FEL * Elevation was: 840
is: 1755 FSL 2421 FEL is: 831
* Lease/unit boundary was: 660'
is: 885'

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KANSAS CORPORATION COMMISSION
JUL 05 2006

CONSERVATION DIVISION
WICHITA, KS

13
32
10E

15-125-31143-0000



CORNERSTONE REGIONAL SURVEYING, LLC

1921 North Penn Ave.
Independence, KS 67301

Telephone: 620-331-6767
Fax: 620-331-6776

WELL LOCATION REPORT Including Latitude & Longitude

LEASE NAME:	Knisely 10-13
COUNTY:	Montgomery
OPERATOR:	Layne Energy
LOCATION:	1755' FSL, 2421' FEL, Sec. 13, Twp. 32S, Rge. 16E
LATITUDE:	N 37° 15' 30.56"
LONGITUDE:	W 95° 36' 34.38"
GROUND ELEVATION:	831 feet
SCALE:	1" = 2000'
DATE:	July 19, 2006
SURVEYED BY:	Keith Matlock
DRAWN BY:	Gary Walker
AUTHORIZED BY:	Kimberlee Dixon
DIRECTIONS	See reverse for directions from 4800 Rd and 5100 Rd.

885'

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JUL 28 2006
CONSERVATION DIVISION
WICHITA, KS