Effective Date: District #_

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 April 12, 2007	Spot
month day year	<u>SW</u> - <u>NW</u> Sec. <u>21</u> Twp. <u>31</u> S. R. <u>16</u> West
33365	1980'feet from V N / S Line of Section
OPERATOR: License# 33365 Name: Layne Energy Operating, LLC	660' feet from E / ✓ W Line of Section
Name: Layrie Energy Operating, LEC Address: 1900 Shawnee Mission Parkway	Is SECTION ✓ Regular — Irregular?
Address: Mission Woods KS 66205	· ·
City/State/Zip: Mission Woods, KS 66205	(Note: Locate well on the Section Plat on reverse side)
Contact Person; M. B. Nattrass	County: Montgomery
Phone: 913-748-3960	Lease Name: Smith Well #: 5-21
33606	Field Name: Jefferson-Sycamore
CONTRACTOR: License# 33606	Is this a Prorated / Spaced Field?
Name: Thornton Air	Target Formation(s): Cherokee Coals
Mall Builled Com. Mall Class. Time Equipments	Nearest Lease or unit boundary: 660'
Well Drilled For: Well Class: Type Equipment:	Ground Surface Elevation: 816 feet MSL
Oil Enh Rec Infield Mud Rotary	Water well within one-quarter mile:
✓ Gas Storage Pool Ext. ✓ Air Rotary	Public water supply well within one mile:
OWWO Disposal Wildcat Cable	Depth to bottom of fresh water: 150
Seismic;# of Holes Other	Depth to bottom of usable water: 150
Other	
_	Surface Pipe by Alternate: 1 2 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
	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
	If Yes, proposed zone:
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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 - 31327-0000	Location of Well: County: Montgomery
Operator: Layne Energy Operating, LLC	1980' feet from 🗸 N / 🗌 S Line of Section
Lease: Smith	660' feet from E / W Line of Section
Well Number: 5-21	Sec. 21 Twp. 31 S. R. 16 Ves
Field: Jefferson-Sycamore	
Number of Acres attributable to well:	ls Section: 📝 Regular or 🗌 Irregular
QTR / QTR / QTR of acreage:	If Section is Irregular, locate well from nearest corner boundary.
	Section corner used: NE NW SE SW

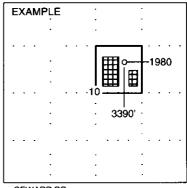
PLAT

(Show location of the well and shade attributable acreage for prorated or spaced wells.)

(Show footage to the nearest lease or unit boundary line.)

	}	•		,	•			
	1980'							
	,		· ·				·	
660'					· ·	· · · · · ·	• •	
660		•	: 	 	•			EXAMPL
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								SEWARD





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.
- 4. 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).



CORNERSTONE REGIONAL SURVEYING, LLC

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

WELL LOCATION REPORT

Including Latitude & Longitude

LEASE NAME:	Smith 5-21
COUNTY:	Montgomery
OPERATOR:	Layne Energy
LOCATION:	1980' FNL, 660' FML, Sec. 21, Twp. 31S, Rge. 16E CV
LATITUDE:	SW-NW N 37° 20' 08.81" 37.335781
LONGITUDE:	W 95° 40' 20.65" - 95.672403
GROUND ELEVATION:	816 feet
SCALE:	1" = 2000'
DATE:	March 29, 2007
SURVEYED BY:	Keith Matlock
DRAWN BY:	Gary Walker
AUTHORIZED BY:	Kimberly Dixon
DIRECTIONS	See reverse for directions from 4300 Road and 6000 Road.

RECEIVED KANSAS CORPORATION COMMISSION

APR 9 6 2007

CONSERVATION DIVISION WICHITA, KS

Kansas Corporation Commission Oil & Gas Conservation Division

Form CDP-1 April 2004 Form must be Typed

APPLICATION FOR SURFACE PIT

Submit in Duplicate

Operator Address: 1900 Shawnee Mission Parkway, Mission Woods, KS 66205 Contact Person: M. B. Nattrass Lesse Name & Welf No: Smith 5-21 Type of Pit: Sw	Operator Name: Layne Energy O	perating, LL0	C	License Number: 33365
Contact Person: M. B. Nattrass			Mission Woods, KS 66205	
Pit Location (QQQQ): Type of Pit: Pit is: SW NW Emergency Pit Bum Pit Pit is: Proposed Existing Sec. 21 Twp, 31 R 16 East West 1980' Feet from North / South Line of Section 660' Feet from North / South Line of Section 660' Feet from South Line				
Type of Pit: Emergency Pit Bum Pit Existing If Ex				Pit Location (QQQQ):
Setting Pit				<u>SW</u> . <u>NW</u>
Workover Pit Haul-Off Pit Pit capacity: Workover Pit Haul-Off Pit Pit capacity: Enter from Rest fr	Emergency Pit Burn Pit	✓ Proposed	Existing	Sec. 21 _{Twp.} 31 _{R.} 16
Pit capacity:	Settling Pit	If Existing, date co	onstructed:	1980' Feet from 🗸 North / 🗌 South Line of Section
Substance to nearest water well within one-mile of pit Sucre of information: Total gribble Total gribb		Pit capacity:		660' Feet from East / 🗸 West Line of Section
Is the bottom below ground level? Artificial Liner? Yes No No Self-Sealing How is the pit lined if a plastic liner is not used? Self-Sealing Pit dimensions (all but working pits): 30' Length (feet) 20' Width (feet) N/A: Steel Pits Depth from ground level to deepest point 3' (feet) If the pit is lined give a brief description of the liner material, thickness and installation procedure. Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. **RECEIVED** **ANBAS** CORPORATION COMMIS** APR § 6 2007 Depth to shallowest fresh water Enet Feet Source of information:	(If WP Supply API No. or Year Drilled)	i , , , ,	(bbls)	Montgomery County
Is the bottom below ground level?	Is the pit located in a Sensitive Ground Water	Area? ✓ Yes] No	1
Pit dimensions (all but working pits): 30' Length (feet) 20' Width (feet) NA: Steel Pits Depth from ground level to deepest point: 3' (feet) Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. Pit the pit is lined give a brief description of the liner material, thickness and installation procedure. Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. APR § 5 2007 Depth to shallowest fresh water feet. Depth to shallowest feet water feet.	Is the bottom below ground level?	Artificial Liner?		
Depth from ground level to deepest point: 3' (feet) If the pit is lined give a brief description of the liner material, thickness and installation procedure. Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. ***NNSAS CORPORATION COMMISSAPPR is 6 2007** APPR is 6 2007 Distance to nearest water well within one-mile of pit source of information: ### USSS NOTE Depth to shallowest fresh water Source of information: Teet WICHITA, KS ### Producing Formation: Depth to shallowest fresh water Source of information: Teet WICHITA, KS ### Producing Formation: Depth to shallowest fresh water Source of information: Teet WICHITA, KS ### Producing Formation: Depth to shallowest fresh water Source of information: Teet WICHITA, KS ### Producing Formation: Depth to shallowest fresh water Source of information: Teet WICHITA, KS ### Producing Formation: Depth to shallowest fresh water Source of information: Teet WICHITA, KS ### Producing Formation: Depth to shallowest fresh water Source of information: Teet WICHITA, KS ### Producing Formation: Depth to shallowest fresh water Source of information: Teet WICHITA, KS ### Producing Formation: Depth to shallowest fresh water Source of information: Teet WICHITA, KS ### Producing Formation: Depth to shallowest fresh water Source of information: Teet WICHITA, KS ### Producing Formation: Depth to shallowest fresh water Source of information: Teet WICHITA, KS ### Producing Formation: Depth to shallowest fresh water Source of information: Teet WICHITA, KS ### Producing Formation: Depth to shallowest fresh water Source of information: Teet WICHITA, KS ### Producing Formation: Depth to shallowest fresh water Source of information: Teet WICHITA, KS ### Producing Formation: Depth to shallowest fresh water Depth to shallowest fresh water Depth to shallowest fresh water Dep			No	1
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Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. Describe procedures for periodic maintenance and determining liner integrity, including any special monitoring. APR @ 6 2007	Depth fr	om ground level to de	eepest point: 3'	(feet)
Distance to nearest water well within one-mile of pit V588 No Number of producing wells on lease: Number of fluid produced daily: Abandonment procedure: Let evaporate until dry, then backfill and restore I hereby certify that the above statements are true and correct to the best of my knowledge and belief. KCC OFFICE USE ONLY APPRIL S (2007) APPRI	If the pit is lined give a brief description of the	liner	Describe proce	· · · · · · · · · · · · · · · · · · ·
Distance to nearest water well within one-mile of pit	material, thickness and installation procedure) ,	liner integrity, i	- ' '
Distance to nearest water well within one-mile of pit				KAND - 'MILIPILIAM
mone feet Depth of water well 77 feet measured well owner feet log KDWR Emergency, Settling and Burn Pits ONLY: Producing Formation: Type of material utilized in drilling/workover: Fresh Water Mud Number of producing wells on lease: Number of working pits to be utilized: Two Barrels of fluid produced daily: Abandonment procedure: Let evaporate until dry, then backfill and restore 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. April 5, 2007 Date KCC OFFICE USE ONLY Date KDWR Mall owner felectric log KDWR KDWR Fresh Water Mud Number of working pits to be utilized: Two Abandonment procedure: Let evaporate until dry, then backfill and restore Drill pits must be closed within 365 days of spud date. KCC OFFICE USE ONLY Date KCC OFFICE USE ONLY				ORATION COMMIS
measuredwell ownerelectric logKDWR Emergency, Settling and Burn Pits ONLY: Producing Formation:				APR 0 6 2007
Emergency, Settling and Burn Pits ONLY: Producing Formation: Number of producing wells on lease: Barrels of fluid produced daily: Does the slope from the tank battery allow all spilled fluids to flow into the pit? I hereby certify that the above statements are true and correct to the best of my knowledge and belief. April 5, 2007 Date Drilling, Workover and Haul-Off Pits ONLY: Type of material utilized in drilling/workover: Fresh Water Mud Number of working pits to be utilized: Two Abandonment procedure: Let evaporate until dry, then backfill and restore 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. KCC OFFICE USE ONLY Discrete Type of material utilized in drilling/workover: Fresh Water Mud Number of working pits to be utilized: Two Abandonment procedure: Let evaporate until dry, then backfill and restore Drill pits must be closed within 365 days of spud date. KCC OFFICE USE ONLY		e of pit		APR Û 6 2007
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	none feet Depth of water well	77 feet	Source of informed measurements Drilling, Work Type of materia Number of wore Abandonment and restore Drill pits must	APR 0 6 2007 Express fresh water feet. WICHITA, KS Invest fresh wate
Date Received: 4/6/67 Permit Number: Permit Date: 4/6/07 Lease Inspection: Ves Ir No	## Mone feet Depth of water well	77 feet	Source of informed measurement. Drilling, Work Type of materia Number of wor Abandonment and restore Drill pits must becomect to the bes	APR 0 6 2007 CONSERVATION DIVISION Transion: Greet Witchita, KS Fresh Water Mud Greet Witchita, KS Fresh
	## Mone feet Depth of water well	77 feet spilled fluids to	Source of informed measurement. Drilling, Work Type of materia Number of wor Abandonment and restore Drill pits must	APR 0 6 2007 CONSERVATION DIVISION Invest fresh water