

For KCC Use: 5-12-07
 Effective Date: 3
 District #: 3
 SGA? Yes No

KANSAS CORPORATION COMMISSION
 OIL & GAS CONSERVATION DIVISION

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

NOTICE OF INTENT TO DRILL

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

Expected Spud Date May 4, 2007
 month day year

OPERATOR: License# 33365
 Name: Layne Energy Operating, LLC
 Address: 1900 Shawnee Mission Parkway
 City/State/Zip: Mission Woods, KS 66205
 Contact Person: Brent Nattrass
 Phone: 913-748-3960

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

Well Drilled For:	Well Class:	Type Equipment:
<input type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Infield
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.
<input type="checkbox"/> OWWO	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat
<input type="checkbox"/> Seismic; # of Holes	<input type="checkbox"/> Other	<input type="checkbox"/> Cable
<input type="checkbox"/> 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 #: _____

Spot JE NE SE SW NW NE Sec. 17 Twp. 33 S. R. 16
 East West
703' feet from N / S Line of Section
1530' feet from E / W Line of Section

Is SECTION Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)

County: Montgomery
 Lease Name: Groth Well #: 2-17
 Field Name: Cherokee Basin Coal

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Cherokee Coals

Nearest Lease or unit boundary: 703'

Ground Surface Elevation: 781' 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: 225 ISD

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: _____

AFFIDAVIT

KANSAS CORPORATION COMMISSION

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.

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

Date: April 27, 2007 Signature of Operator or Agent: MRS Nattrass Title: Agent

For KCC Use ONLY

API # 15 - 125-31360-0000
 Conductor pipe required None feet
 Minimum surface pipe required 20 feet per Alt. XO 2
 Approved by: LH 5-7-07
 This authorization expires: 11-7-07
 (This authorization void if drilling not started within 6 months of approval 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

17
33
10E

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 - 125-31360-0000
 Operator: Layne Energy Operating, LLC
 Lease: Groth
 Well Number: 2-17
 Field: Cherokee Basin Coal
 Number of Acres attributable to well: _____
 QTR / QTR / QTR of acreage: _____ - NW - NE

Location of Well: County: Montgomery
 703' _____ feet from N / S Line of Section
 1530' _____ feet from E / W Line of Section
 Sec. 17 Twp. 33 S. R. 16 East West

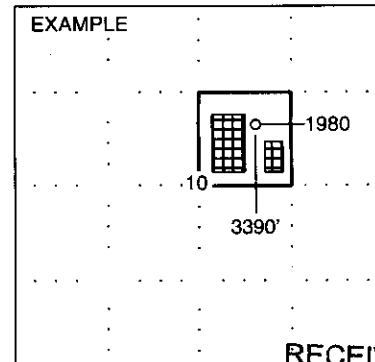
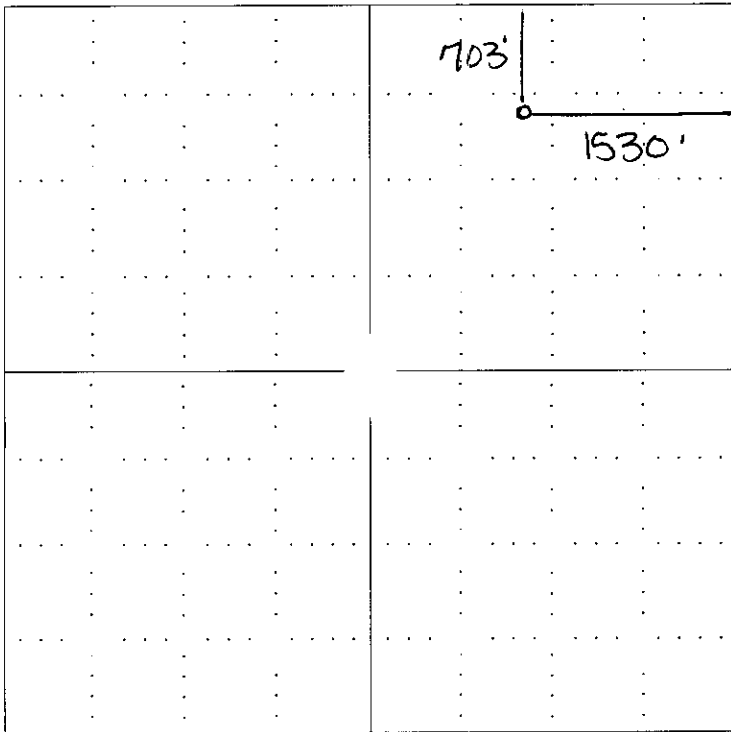
Is Section: Regular or Irregular

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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APR 30 2007

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 (CG-8 for gas wells).

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MAY 07 2007

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 WICHITA, KS



1921 North Penn Ave.
Independence, KS 67301

15-125-31360-0000

CORNERSTONE REGIONAL SURVEYING, LLC

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

WELL LOCATION REPORT Including Latitude & Longitude

LEASE NAME:	Groth 2-17
COUNTY:	Montgomery
OPERATOR:	Layne Energy DC
LOCATION:	703' FNL, 1530' FEL, Sec. 17, Twp. 33S, Rge. 16E 1200'
LATITUDE:	NW-NE N 37° 10' 46.32" 37.179533
LONGITUDE:	W 95° 40' 46.70" -95.679639
GROUND ELEVATION:	781 feet
SCALE:	1" = 2000'
DATE:	April 17, 2007
SURVEYED BY:	Adam Gove
DRAWN BY:	Gary Walker
AUTHORIZED BY:	Kimberlee Dixon
DIRECTIONS	See reverse for directions from 4100 Rd. and 3600 Rd.

703'

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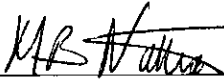
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CONSERVATION DIVISION
WICHITA, KS

**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
APPLICATION FOR SURFACE PIT**

Form CDP-1
April 2004
Form must be Typed

Submit in Duplicate

Operator Name: Layne Energy Operating, LLC		License Number: 33365
Operator Address: 1900 Shawnee Mission Parkway, Mission Woods, KS 66205		
Contact Person: Brent Natrass		Phone Number: (913) 748 - 3960
Lease Name & Well No.: Groth 2-17		Pit Location (QQQQ): NW NE
Type of Pit: <input type="checkbox"/> Emergency Pit <input type="checkbox"/> Burn Pit <input type="checkbox"/> Settling Pit <input checked="" type="checkbox"/> Drilling Pit <input type="checkbox"/> Workover Pit <input type="checkbox"/> Haul-Off Pit <small>(If WP Supply API No. or Year Drilled)</small>	Pit is: <input checked="" type="checkbox"/> Proposed <input type="checkbox"/> Existing If Existing, date constructed: _____ Pit capacity: _____ (bbls)	Sec. 17 Twp. 33 R. 16 <input checked="" type="checkbox"/> East <input type="checkbox"/> West 703' Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 1530' Feet from <input checked="" type="checkbox"/> East / <input type="checkbox"/> West Line of Section Montgomery County
Is the pit located in a Sensitive Ground Water Area? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Chloride concentration: _____ mg/l <small>(For Emergency Pits and Settling Pits only)</small>
Is the bottom below ground level? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Artificial Liner? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	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. <p align="right">RECEIVED KANSAS CORPORATION COMMISSION MAY 07 2007</p>	
Distance to nearest water well within one-mile of pit none 636 feet Depth of water well 80 feet	Depth to shallowest fresh water 10 feet. CONSERVATION DIVISION WICHITA, KS Source of information: _____ measured _____ well owner _____ electric log _____ KDWR	
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? <input type="checkbox"/> Yes <input type="checkbox"/> No	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.		
April 27, 2007 Date	 Signature of Applicant or Agent	RECEIVED KANSAS CORPORATION COMMISSION APR 30 2007
KCC OFFICE USE ONLY		
Date Received: 4/30/07	Permit Number: _____	Permit Date: 4/30/07 Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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

15-125-21360-0000

Layne Energy Inc.

1900 Shawnee Mission Parkway, Mission Woods, Kansas 66205 PH: (913) 748-3987, FX: (913) 748-3950

6 pgs FAXed

May 3, 2007

Rick Hestermann
KCC Central Office
Wichita, KS

Re: Groth 2-17

Dear Mr. Hestermann:

Per the lat & longs available, the footage of 676.7 feet between the Wilson water well and our proposed Groth 2-17 is acceptable per the KCC Rules & Regs. Please reconsider the Intent for the Groth 2-17 and consent to a verbal approval. Please contact me at 913-748-3960 with your decision.

Sincerely,

Mac Darling

MacLaughlin Darling
Layne Energy Inc.
913-748-3960

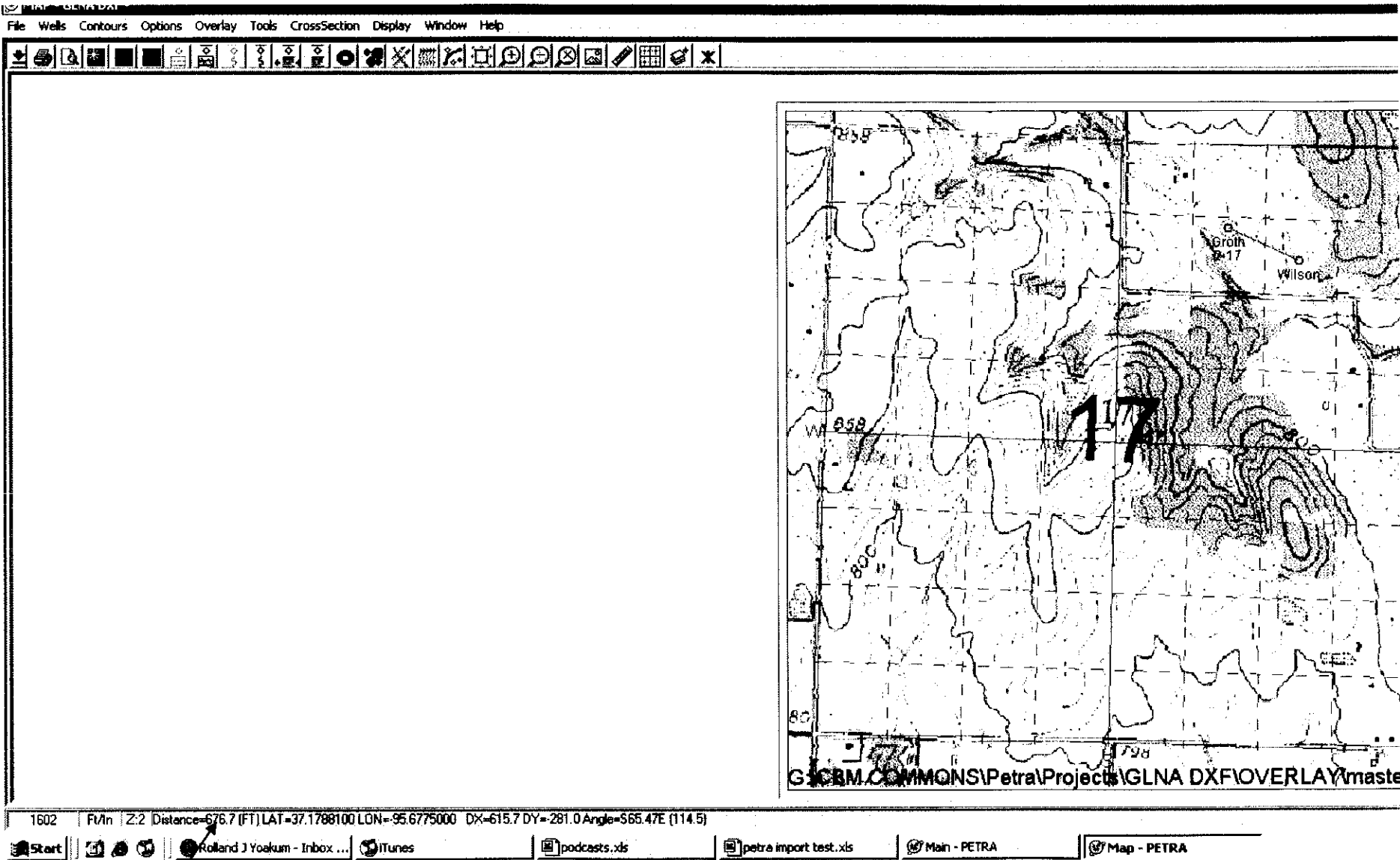
Attachment



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WICHITA, KS



Please note the distance of 676.7' from Groth 2-17 and the Wilson water well.
Both wells were plotted by their respected lat & long.

Wilson water well per KGS 37.17881, -95.6775
Groth 2-17 per Cornerstone survey 37.179533, -95.679639

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15-125-31360-0220

15-125-31360-0000

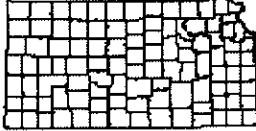


State of Kansas Geographic Information Systems Policy Board, Data Access and Support Center, and the K: Please email questions an

WWC5 Well viewer

Section Township Range Range Direction

Overview Map



Remove monitoring/engineering wells

Color wells based on Estimated yield Well Depth Static water level

Choose Labelling on zoom-in Owner Name Well Depth/Estimated yield Static water

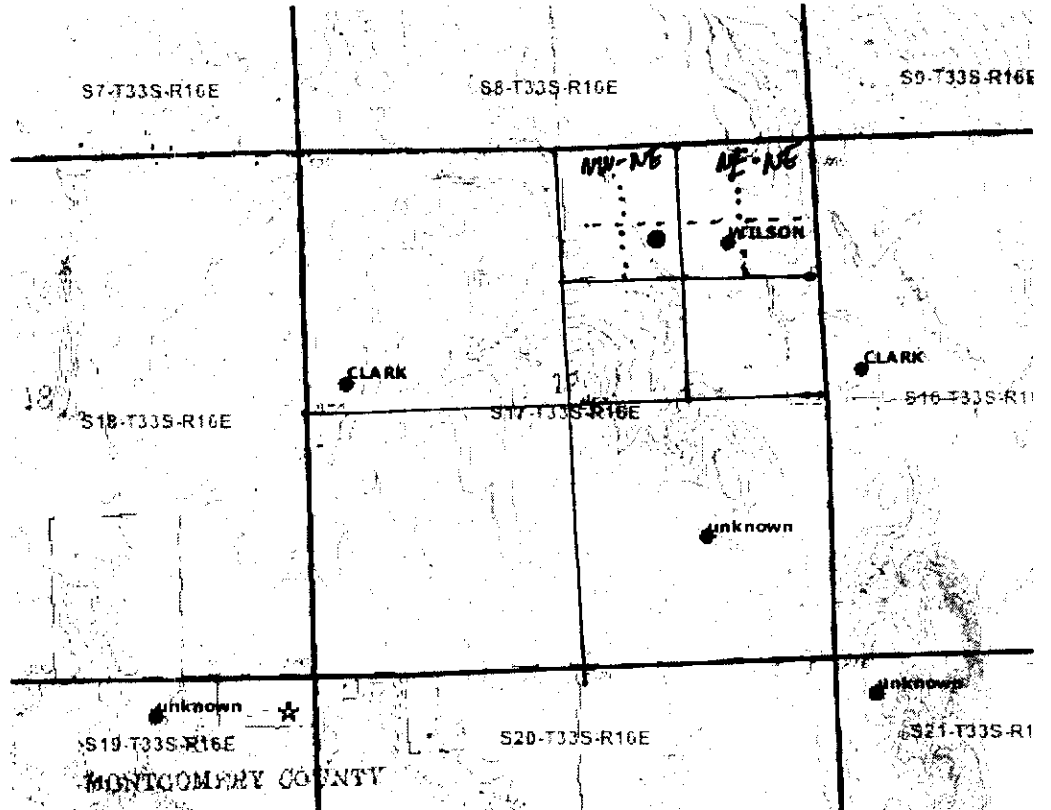
Zoom Level: Zoom In Zoom Out Pan Identify

Show Entire State



Legend

- Single well
- Multiple wells
- Yield (in gpm)
 - between 0.00 and 5.00
 - between 5.00 and 10.00
 - between 10.00 and 150.00
 - unknown Yield
- Township Boundary
- PLSS



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CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR
BRIAN J. MOLINE, CHAIR
ROBERT E. KREHBIEL, COMMISSIONER
MICHAEL C. MOFFET, COMMISSIONER

February 9, 2007

Brent Natrass
Layne Energy Operating, LLC
1900 Shawnee Mission Parkway
Mission Woods, KS 66205

RE: Notice of Intent To Drill
Groth 2-17
703' FNL, 1530 FEL, Sec. 17-T33S-R16E
Montgomery County

Dear Mr. Natrass,

Water well records indicate that a domestic water well is located within approximately 636 feet of the referenced location. Eastern Kansas Surface Casing Order #133,891-C for Area 2, paragraph 2 states, ***"No well shall be drilled closer than 660 feet of an existing domestic or municipal water well without written owner notification, a copy of which must be attached to the drilling intent form during filing. Special casing and cementing requirements may be imposed in those areas producing fresh and usable water."***

Please resubmit this Intent To Drill with a copy of the owner notification. The record shows that this water well has a total depth of 80 feet. Unfortunately, the water well records do not have the well owners name or address. This information may be available through KDHE, or you may be familiar with the owner of this well.

I may be contacted at 316-337-6200 if you need additional information.

Sincerely,



Rick Hestermann
Production Department

cc: Steve Korf, District 3

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WICHITA, KS

Water Well
Database
Query

Hydrology

Specific Water Well Detail

15-125-31360-0000

Well T33S, R16E, Sec. 17, SWNE, Action: Constructed

Location Info	
County: Montgomery	Location: T33S, R16E, Sec. 17, SWNE
Owner: WILSON	Status: Constructed
Directions: 3 MILES SOUTH OF INDEP & 2 MILES EAST	
Longitude: -95.6775	Latitude: 37.17881
View section on interactive map This link will create a new window and display an interactive map of this well and its neighbors.	
General Info	
Well Depth: 80 ft.	Elevation: ft.
Static Water Level: 4 ft.	Well Use: Domestic
Est. Yield: 0 gpm.	Other ID:
Driller Info	
Driller: Melvin Ray Weber, Country Water	License #: 393
Comp. Date: 22-Jun-1985	DWR Applic. #:
Chemical Sample Submitted?:	
Casing Info	
Casing Type: PVC	
Diam: 8 in. to 10 ft.	
Diam: 0 in. to 0 ft.	
Diam: 0 in. to 0 ft.	
Grout Info	
Grout used: CEMENT GROUT	
From: 0 to 10 ft.	
From: 0 to 0 ft.	
From: 0 to 0 ft.	
Contamination Info	
Contamination type: none	
Direction:	Distance: 0
Screen and Perforation Info	

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