

For KCC Use:
 Effective Date: 11-21-06
 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 11/23/06
 month day year

OPERATOR: License# 32955
 Name: Kenneth & Regina Laymon, LLC
 Address: 1998 Squirrel Road
 City/State/Zip: Neosho Falls, KS 66758
 Contact Person: Kenneth Laymon
 Phone: 620-963-2495

CONTRACTOR: License# 5661
 Name: Kelly Down Drilling Co., Inc

Well Drilled For:		Well Class:		Type Equipment:			
<input checked="" type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Infield	<input checked="" type="checkbox"/> Mud Rotary	<input type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.	<input type="checkbox"/> Air Rotary
<input type="checkbox"/> CWMD	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat	<input type="checkbox"/> Cable	<input type="checkbox"/> Seismic; # of Holes	<input type="checkbox"/> Other		
<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
 sw - sw - nw Sec. 10 Twp. 24 S. R. 16 East West
3090 feet from N / S Line of Section
4950 feet from E / W Line of Section
 Is SECTION Regular Irregular?

(Note: Locate well on the Section Plat on reverse side)
 County: Woodson
 Lease Name: Nusz Well #: 16-06
 Field Name: Vernon

Is this a Prorated / Spaced Field? Yes No
 Target Formation(s): Squirrel
 Nearest Lease or unit boundary: 165
 Ground Surface Elevation: n/a 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: 125'
 Depth to bottom of usable water: 150'
 Surface Pipe by Alternate: 1 2
 Length of Surface Pipe Planned to be set: 40'
 Length of Conductor Pipe required: none
 Projected Total Depth: 1150
 Formation at Total Depth: Squirrel
 Water Source for Drilling Operations:
 Well Farm Pond Other _____
 DWR Permit #: _____

(Note: Apply for Permit with DWR)
 Will Cores be taken? Yes No
 If Yes, proposed zone: _____

AFFIDAVIT

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.

KANSAS CORPORATION COMMISSION

Date: 11/13/06 Signature of Operator or Agent: Regina Laymon Title: Agnt JUN 11 2007

For KCC Use ONLY
 API # 15 - 207-27086-0000
 Conductor pipe required None feet
 Minimum surface pipe required 40 feet per Alt. **X 2**
 Approved by: Rut 11-16-06
 This authorization expires: 5-16-07
 (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.
- 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: Regina Laymon
 Date: 06-16-07

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

KCC WICHITA

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