## For KCC Use: 11-20-07 Effective Date: 3 District # 3

### 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

SGA? Yes No NOTICE OF IN I	5) days prior to commencing well
	of days phor to commending from
Expected Spud Date November 22, 2007	Spot East
month day year	SE SW SE Sec. 15 Twp. 32 S. R. 13 West
33365	214feet fromN / / S Line of Section
OPERATOR: License# 33365 / Name: Layne Energy Operating, LLC	1810feet from VE / W Line of Section
1000 Shawnee Mission Parkway	is SECTIONRegularIrregular?
Address: 1900 Shawner Misson Woods, KS 66205  City/State/Zip: Misson Woods, KS 66205	(Note: Locate well on the Section Plat on reverse side)
Contact Person: Timothy H. Wright	County: Chautauqua
Phone: 913-748-3960	Lease Name: Mills SWD Well #: 15-15
	Field Name: Cherokee Basin Coal
CONTRACTOR: License# 33606 Name: Thornton Air	Is this a Prorated / Spaced Field?
Name: THORIGH All	Target Formation(s): Arbuckle 214'
Well Drilled For: Well Class: Type Equipment:	Nearest Lease or unit boundary: 214'  Ground Surface Elevation: 921' feet MSL
Oil Enh Rec 🗸 Infield 🖍 Mud Rotary	Water well within one-quarter mile: Yes ✓ No
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: 225'
Other	Confess Bine by Alternate: 1 7 2
If OWWO: old well information as follows:	Length of Surface Pipe Planned to be set:  None
Operator:	Length of Conductor Pipe required:
Well Name:	Projected Total Depth: 1500 Feet
Original Completion Date:Original Total Depth:	Tomation at rotal bopus
Directional, Deviated or Horizontal wellbore? Yes ✓ No	Water Source for Drilling Operations:  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: RECEIVED
AFFI	DAVIT KANSAS CORPORATION COMMISSION
The undersigned hereby affirms that the drilling, completion and eventual pl	ugging of this well will comply with K.S.A. 55 et. seq.
It is agreed that the following minimum requirements will be met:	NOV 15 2007
Notify the appropriate district office <i>prior</i> to spudding of well;	
a A of the expected notice of intent to drill shall be nested on ear	ch drilling rig; CONSERVATION DIVISION
3. The minimum amount of surface pipe as specified below shall be se	of by circulating cement to the top; in all cases surface propersial be set
through all unconsolidated materials plus a minimum of 20 feet into the	ne underlying formation.  listrict office on plug length and placement is necessary <i>prior to plugging</i> ;
5. The appropriate district office will be notified before well is either plug	ged or production casing is cemented in;
A R OF ALTERNATE II COMPLETION production nine shall be cement	ed 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 be plugged. <i>In all cases, NOTIFY district office</i> prior to any cementing.
I hereby certify that the statements made herein are true and to the best of	
A C	
Date: November 14, 2007 Signature of Operator or Agent:	Title: Agent
	Remember to:
For KCC Use ONI V	- File Drill Pit Application (form CDP-1) with Intent to Drill;
API # 15. 019-26849-0000	- File Completion Form ACO-1 within 120 days of spud date;
Conductor pipe requiredfeet	<ul> <li>File acreage attribution plat according to field proration orders;</li> <li>Notify appropriate district office 48 hours prior to workover or re-entry;</li> </ul>
Minimum surface pipe required 40 feet per Alt.	
	<ul> <li>Submit plugging report (CP-4) after plugging is completed;</li> </ul>
	Obtain within approval before disposing or injecting salt water
Approved by: Pub 11-15-07	- Obtain written approval before disposing or injecting salt water If this permit has expired (See: authorized expiration date) please
Approved by: Put 1-1507  This authorization expires: 1-1508	- Obtain written approval before disposing or injecting salt water.
Approved by: Pub 1-15-07  This authorization expires: 1-15-08  (This authorization void if drilling not started within 6 months of approval date.)	- 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
Approved by: Pub 1-15-07  This authorization expires: 1-15-08  (This authorization void if drilling not started within 6 months of approval date.)	- 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 - 019-26849-0000	Location of Well: County: Chautauqua
Operator: Layne Energy Operating, LLC	feet from N / S Line of Section
Lease: Mills SWD	
Well Number: 15-15	Sec. 15 Twp. 32 S. R. 13 ✓ East West
Field: Cherokee Basin Coal	Is Section: ✓ Regular or Irregular
Number of Acres attributable to well:  QTR / QTR / QTR of acreage: SE _ SW _ SE	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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RECEIVED KANSAS CORPORATION COR							• • • •	
NOV 1,5 2007					· ·			: 
CONSERVATION DIVISK WICHITA, KS	· ·						•	
EXAMPLE					· ·		•	
1980					•		•	
10 1980					· · · · · ·		• • •	
3390'					·		·	
	·	1810'				· · · ·		
SEWARD CO.		10.0	, 0	214		•		

COMMISSION

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).

### 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, LL0	License Number: 33365			
			Mission Woods, KS 66205		
Contact Person: Timothy H. Wright			Phone Number: ( 913 ) 748 - 3960		
	Lease Name & Well No.: Mills SWD 15-15				
Type of Pit:	Pit is:		<u>SE_SW_SE_</u>		
Emergency Pit Burn Pit	✓ Proposed	Existing	Sec. 15 Twp. 32 R. 13 Fast West		
Settling Pit	If Existing, date constructed:  ———————————————————————————————————		214 Feet from North / V South Line of Section	tion	
			1810 Feet from 🗸 East / 🗌 West Line of Sect	tion	
(If WP Supply API No. or Year Drilled)		(bbls)	<u>Chautauqua</u> Coul	inty	
Is the pit located in a Sensitive Ground Water Area? Yes No			Chloride concentration: mg (For Emergency Pits and Settling Pits only)	<b>3/</b> l	
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 dimensions (all but working pits):3					
Depth fr	om ground level to de	eepest point: 3'	(feet)		
If the pit is lined give a brief description of the material, thickness and installation procedure			edures for periodic maintenance and determining including any special monitoring.  RECEIVED  KANSAS CORPORATION COMMISSION  NOV 1,5 2007	Ж	
Distance to nearest water well within one-mile	e of pit	Depth to shallo	conservation division  bwest fresh water	*****	
		Source of infor	rmation: uredwell owner electric logKDWR		
		************	cover and Haul-Off Pits ONLY:	_	
			al utilized in drilling/workover: Fresh Water Mud		
			rking pits to be utilized: Two	_	
			bandonment procedure: Let evaporate until dry, then backfill		
Does the slope from the tank battery allow all spilled fluids to flow into the pit? Yes \(\bigcap\) No		and restore  Drill pits must be closed within 365 days of spud date.			
I hereby certify that the above state	ements are true and	correct to the bes	st of my knowledge and belief.		
November 14, 2007  Date  Signature of Applicant of Applicant					
KCC OFFICE USE ONLY					
Date Received: ////5/07 Permit Num	ber:	Perm	nit Date: ////5/07 Lease Inspection: Yes 🚜 No	,	



Kathleen Sebelius, Governor Thomas E. Wright, Chairman Michael C. Moffet, Commissioner Joseph F. Harkins, Commissioner

### NOTICE TO OPERATORS FILING INTENT TO DRILL FOR DISPOSAL OR ENHANCED RECOVERY INJECTION WELLS, (CLASS II INJECTION WELL)

The attached approved Notice of Intent to Drill indicates the proposed well is to be used for injection. An approved "Intent to Drill" does not approve injection authority as a Class II Injection Well in Kansas.

Before any well is used for injection purposes, the operator must file an application for injection authority in accordance with K.A.R. 82-3-401 and provide notice in accordance with K.A.R. 82-3-402. The Conservation Division must issue a written permit granting the application before commencement of injection.

The Conservation Division requirements and restrictions associated with Class II Injection are identified in **K.A.R. 82-3-400 et seq** of our regulations. Associated regulations governing drilling, completion and injection applications may be found in K.A.R. 82-3-135, Table I, Table II, in the Cedar Hills Sandstone Moratorium, (Docket #156,397-C), and the Eastern Kansas Surface Casing Order, (Docket #133,891-C).

If you have questions regarding the approval of injection authority, an injection application may be filed as a "Design Approval" before actual drilling and completion of the well occurs. If you have any questions or concerns regarding Class II injection wells or regulations, call the Underground Injection Control Department at 316-337-6200.

Failure to obtain commission approval before beginning injection is punishable by a penalty, shut-in of the well or both.