

RECEIVED

SEP 03 2009

Form C-1

October 2007

Form must be Typed

Form must be Signed

All blanks must be Filled

For KCC Use: 9-8-2009
Effective Date:
District #: 3
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL KCC WICHITA

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

Expected Spud Date: September 8, 2009
month day year

OPERATOR: License# 33365
Name: Layne Energy Operating, LLC
Address 1: 1900 Shawnee Mission Parkway
Address 2:
City: Mission Woods State: KS Zip: 66205 + 2001
Contact Person: Timothy H. Wright
Phone: 913-748-3960

CONTRACTOR: License# Pending Must be licensed by KCC
Name: Pending Advise on ACO-1

Well Drilled For: Oil Gas Seismic Other
Well Class: Enh Rec Storage Disposal Infield Pool Ext Wildcat Other
Type Equipment: Mud Rotary Air Rotary Cable
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 Description: 37.3808027 -95.9003069
W2 SW NE Sec. 5 Twp. 31 S. R. 14 E W
1,987 feet from N / S Line of Section
2,422 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: Lawrence Well #: 7A-5
Field Name: Elk City Northeast

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Wisner, Cattleman

Nearest Lease or unit boundary line (in feet): 223'

Ground Surface Elevation: 917 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: 175'

Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: 20'

Length of Conductor Pipe (if any): None

Projected Total Depth: 1350'

Formation at Total Depth: Krebs

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: Wisner and Cattleman sands

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 correct to the best of my knowledge and belief.

Date: September 1, 2009 Signature of Operator or Agent: Title: Manager of Engineering

For KCC Use ONLY
API # 15 - 125-31890-00-00
Conductor pipe required None feet
Minimum surface pipe required 20 feet per ALT.
Approved by: KMS 9-3-2009
This authorization expires: 9-3-2010
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 (within 60 days);
- 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 Date: Signature of Operator or Agent:

KCC WICHITA

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 - 125-31890-00-00
Operator: Layne Energy Operating, LLC
Lease: Lawrence
Well Number: 7A-5
Field: Elk City Northeast

Location of Well: County: Montgomery
1,987 feet from N / S Line of Section
2,422 feet from E / W Line of Section
Sec. 5 Twp. 31 S. R. 14 E W

Number of Acres attributable to well: _____
QTR/QTR/QTR/QTR of acreage: _____ - W2 - SW - NE

Is Section: Regular or Irregular

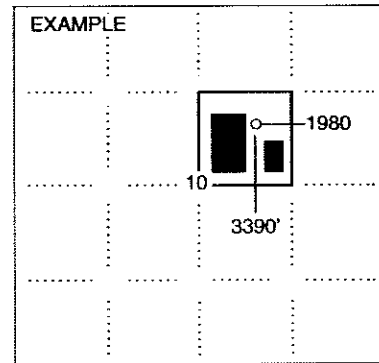
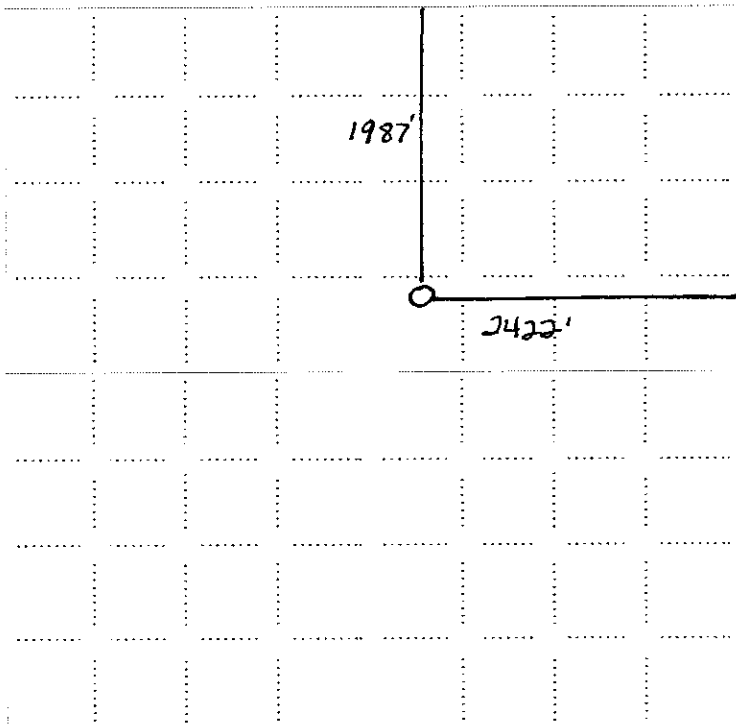
If Section is Irregular, locate well from nearest corner boundary.

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.)



SEWARD CO.

NOTE: In all cases locate the spot of the proposed drilling location.

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 south / north and east / west outside section lines.
3. The distance to the nearest lease or unit boundary line (in footage).
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).

RECEIVED

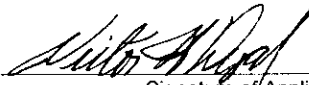
KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

SEP 03 2009

Form CDP-1
April 2004
Form must be Typed

APPLICATION FOR SURFACE PITKCC WICHITA

Submit in Duplicate

Operator Name: Layne Energy Operating, LLC		License Number: 33365	
Operator Address: 1900 Shawnee Mission Parkway		Mission Woods KS 66205	
Contact Person: Timothy H. Wright		Phone Number: 913-748-3960	
Lease Name & Well No.: Lawrence 7A-5		Pit Location (QQQQ): W2 SW 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. 5 Twp. 31 R. 14 <input checked="" type="checkbox"/> East <input type="checkbox"/> West 1,987 Feet from <input checked="" type="checkbox"/> North / <input type="checkbox"/> South Line of Section 2,422 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? made of clay	
Pit dimensions (all but working pits): 30 Length (feet) 20 Width (feet) <input type="checkbox"/> N/A: Steel Pits Depth from ground level to deepest point: 3 (feet) <input type="checkbox"/> No Pit			
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.	
Distance to nearest water well within one-mile of pit none feet Depth of water well _____ feet		Depth to shallowest fresh water _____ feet. Source of information: <input type="checkbox"/> measured <input type="checkbox"/> well owner <input type="checkbox"/> electric log <input type="checkbox"/> 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: 2 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.			
September 1, 2009 Date		 Signature of Applicant or Agent	

15-125-31890-0000

KCC OFFICE USE ONLY		Steel Pit <input type="checkbox"/>	RFAC <input type="checkbox"/>	RFAS <input type="checkbox"/>
Date Received: 9/3/09	Permit Number: _____	Permit Date: 9/3/09	Lease Inspection: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

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