

~~District #~~
CORRECTED

For KCC Use:
Effective Date: 10-6-08
District # 3
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form C-1
October 2007
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: October 6, 2008
month day year

Spot Description: 37.464347 -95.913117
NW - SE NW - SE Sec. 6 Twp. 30 S. R. 14 E W
(0000) 1,949 feet from N / S Line of Section
1,784 feet from E / W Line of Section

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

Is SECTION: Regular Irregular?

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

CONTRACTOR: License# 33606
Name: Thornton Air

County: Wilson
Lease Name: McNow Well #: 10-6
Field Name: Cherokee Basin Coal

Is this a Prorated / Spaced Field? Yes No
Target Formation(s): Cherokee Goals

Well Drilled For: Oil Gas
Well Class: Enh Rec Infield Mud Rotary
 Storage Pool Ext. Air Rotary
 Disposal Wildcat Cable
Type Equipment:
 Seismic: # of Holes Other
 Other:

Nearest Lease or unit boundary line (in footage): 770'
Ground Surface Elevation: 977 feet MSL

If OWWO: old well information as follows:

Water well within one-quarter mile: Yes No
Public water supply well within one mile: Yes No

Operator: _____
Well Name: _____
Original Completion Date: _____ Original Total Depth: _____

Depth to bottom of fresh water: 150'
Depth to bottom of usable water: 200'

Directional, Deviated or Horizontal wellbore? Yes No
If Yes, true vertical depth: _____
Bottom Hole Location: _____
KCC DKT #: _____

Surface Pipe by Alternate: I II
Length of Surface Pipe Planned to be set: 40'

Length of Conductor Pipe (if any): None
Projected Total Depth: 1500'
Formation at Total Depth: Mississippian

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: _____

~~KWAS: District 4~~
~~IS: District 3~~

AFFIDAVIT

RECEIVED

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:

KANSAS CORPORATION COMMISSION

SEP 30 2008

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.*

CONSERVATION DIVISION
WICHITA, KS

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

Date: September 29, 2008 Signature of Operator or Agent: _____ Title: Agent

For KCC Use ONLY

API # 15 - 15-205-27692-0000

Conductor pipe required None feet

Minimum surface pipe required 40 feet per ALT. I II

Approved by: Rich 10-108 / Rich 10-2-08

This authorization expires: 10-1-09
(This authorization void if drilling not started within 12 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 (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: 12-28-2009
Signature of Operator or Agent: _____

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

RECEIVED

JAN 04 2010

KCC WICHITA

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