



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

June 24, 2008

KIMBERLEE DIXON
LAYNE ENERGY INC
P O BOX 160
SYCAMORE KS 67363

RE: LEASE: SMITH 5-21
LEGAL: 1980'FNL-660'FWL 21-31S-16E
COUNTY: MONTGOMERY
API NO: 15125313270000

Dear Ms. Dixon:

This letter is to inform you that you have been granted an extension of time in which to close the drilling pits associated with the drilling of the Smith 5-21 well.

The original 365 days for closure expired April 12, 2008. This extension will expire August 31, 2008. We urge you to make every effort to close these pits within this time frame. In the event there is water standing in these pits, please dewater and dispose of fluids in an authorized disposal facility to expedite closure. Extension of this time frame automatically extends the time period for filing the Closure of Surface Pit form.

Failure to close the pit or request an additional extension prior to the expiration date may result in a fine in accordance with K.A.R. 82-3-602(c). An additional extension will only be granted for good cause and after K.C.C. field staff has made an inspection of the site. Should field staff discover that said pit has been closed before the date of extension request, an administrative penalty may be assessed to you through K.C.C. invoice.

If you have any questions in this regard, please do not hesitate to contact Jonelle Rains at (316) 337-6226.

Very sincerely yours,

A handwritten signature in black ink that reads "Doug Louis".

Doug Louis
Director

cc: Jonelle Rains
District # 3

Layne Energy, Inc.

P.O. Box 160, Sycamore, KS 67363 Phone: (620) 627-2499 Fax: (620) 627-2586

June 17, 2008

Kansas Corporation Commission
Attn: Sammy Flaharty
130 S. Market
Room 2078
Wichita, KS 67202-3802

RE: Pit Closures

Dear Sammy,

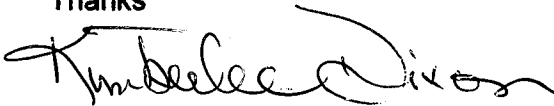
In additions to the enclosed letters for extensions I also have four other wells that I need to extend.

<u>API NO.</u>	<u>WELL</u>	<u>LOCATION</u>	<u>COUNTY</u>	<u>SPUD DATE</u>
15125313270000	Smith 5-21	21-31-16E	Montgomery	04/12/2007
15049224550000	Elliot 14-21	21-29-12E	Elk	03/23/2007
15125313450000	Dunbar 12-35	35-33-16E	Montgomery	04/30/2007
15125313430000	Dunbar 10-34	34-33-16E	Montgomery	04/24/2007

Our guys have been checking these wells on a regular basis but due to the wet weather SEK has had we have been unable to backfill and close the pits.

As soon as things dry up enough that we can get in and not damage the property, we will get these all closed. Unfortunately it looks like rain for the next week or two so I'm not sure when we might get them done.

Thanks



Kimberlee Dixon

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KANSAS CORPORATION COMMISSION

JUN 19 2008

CONSERVATION DIVISION
WICHITA, KS



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Search T-1s / Letters

Sec Twpn Rngn

Company

Find

API Number

15-125-31327



API # 15-125-31327-00-00

Well SMITH 5-21

City MONTGOME

Dkt

Oper 33365

LAYNE ENERGY OPERATING, LLC

A

Lgcy Oper

Work Oper

C-1 Oper

LAYNE ENERGY OPERATING, LLC

WL Type GAS

WL Stat PR

Status Source: ACO1

Status Dt: 01/24/2008

Location 21-31S-16E SWNW, 1980 FNL 660 FWL

District # 03

Dates

Intent Apprv: 04/06/2007

Compl: 11/21/2007

Permit Expire: 10/06/2007

Compl Rpt Rec: 08/09/2007

ACO-1 Spud: 04/12/2007

Plugged:

District Spud: 04/12/2007

SC Int: 20

PIT Cls EXT:

Pit Cls:

PIT Status Request Received for Extension

Dewater:

BBLS:

SGWA:

RFAC:

RFAS:

PitLiner:

Steel:

CP 1:

CP 2.3: Date CP-2/3 Recvd:

CP 4: Date CP-4 Recvd:

CDP 5:

