

For KCC Use: 12-20-08
Effective Date: 3
District # 3
SGA? Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

Form C-1
October 2007
Form must be Typed
Form must be Signed
All blanks must be Filled

Expected Spud Date: December 19, 2008
month / day / year

33365

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# 33606
Name: Thornton Air

Well Drilled For:	Well Class:	Type Equipment:
<input type="checkbox"/> Oil	<input type="checkbox"/> Enh Rec	<input checked="" type="checkbox"/> Infield
<input checked="" type="checkbox"/> Gas	<input type="checkbox"/> Storage	<input type="checkbox"/> Pool Ext.
<input type="checkbox"/> Seismic	<input type="checkbox"/> Disposal	<input type="checkbox"/> Wildcat
<input type="checkbox"/> Other	<input type="checkbox"/> Other	<input type="checkbox"/> 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 #: _____

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** CHITA, KS 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: December 12, 2008 Signature of Operator or Agent: John Title: Project Engineer

For KCC Use ONLY	
<u>019-26958-0000</u>	
API # 15 -	<u>None</u>
Conductor pipe required	feet
Minimum surface pipe required	feet per ALT. <input type="checkbox"/> I <input checked="" type="checkbox"/> II
Approved by:	<u>John 12-1508</u>
This authorization expires:	<u>12-15-09</u>
(This authorization void if drilling not started within 12 months of approval date.)	
Spud date:	Agent:

Spot Description: 37.253286 -95.9937

W2 . SE . NE . NW Sec. 21 Twp. 32 S. R. 13 E W
(0000) 1,017 feet from N / S Line of Section
2,107 feet from E / W Line of Section

Is SECTION: Regular Irregular?

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

County: Montgomery Chautauqua
Lease Name: Peterson Well #: 3-21
Field Name: Cherokee Basin Coal

Is this a Prorated / Spaced Field? Yes No

Target Formation(s): Cherokee Coals

Nearest Lease or unit boundary line (in footage): 988'
Ground Surface Elevation: 913 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: 120-225'

Surface Pipe by Alternate: I II

Length of Surface Pipe Planned to be set: 20' 40' min

Length of Conductor Pipe (if any): None

Projected Total Depth: 1650'

Formation at Total Depth: Mississippian

Water Source for Drilling Operations:

Well Farm Pond Other: _____

DWR Permit #:

(Note: Apply for Permit with DWR Yes No

Will Cores be taken? Yes No

If Yes, proposed zone: _____

RECEIVED

KANSAS CORPORATION COMMISSION

DEC 15 2008

CONSERVATION DIVISION

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: 4-5-2010

Signature of Operator or Agent:

Mae Langmuir Gas line

RECEIVED

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

APR 07 2010

KCC WICHITA