

For KCC Use:

Effective Date:

District #

SGA? ☐ Yes ☒ NoKANSAS 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

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:

☐ Oil☒ Gas☐ Enh Rec☐ Storage☐ Disposal☐ Seismic: # of Holes☐ Other:☐ If OWWO: old well information as follows:

Well Class:

☒ Infield☐ Pool Ext.☐ Wildcat☐ Other

Type Equipment:

☐ Mud Rotary☒ Air Rotary☐ Cable

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: 37.253286 -95.9937

W2 SE NE NW Sec. 21 Twp. 32 S. R. 13 ☒ E ☐ W(0000) 1,017 feet from ☒ N / ☐ S Line of Section2,107 feet from ☐ E / ☒ W Line of SectionIs SECTION: ☒ Regular ☐ Irregular?

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

County: ~~Montgomery~~ Chautauque

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 ☐ NoPublic water supply well within one mile: ☐ Yes ☒ No

Depth to bottom of fresh water: 150'

Depth to bottom of usable water: 150' 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) ☐Will Cores be taken? ☐ Yes ☒ No

If Yes, proposed zone:

## AFFIDAVIT

RECEIVED  
KANSAS CORPORATION COMMISSION

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~~ **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: December 12, 2008

Signature of Operator or Agent:

Title:

Project Engineer

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API # 15 -

Conductor pipe required None feet

Minimum surface pipe required 40 feet per ALT. ☐ I ☒ IIApproved by: ~~12-1508~~This authorization expires: 12-1509  
(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: 4-5-2010

Signature of Operator or Agent:

Mae Jaughlin Darling

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

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APR 07 2010

KCC WICHITA