NOTICE OF INTENT TO DRILL

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

For KCC Use:
Effective Date: 3/29/04

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

RECEIVED
KANSAS CORPORATION COMMISSION
MAR 2 4 2004

Expected Spud Date: March 28, 2004

OPERATOR: License#: 33365
Name: Layne Energy Operating, LLC
Address: 1900 Shawnee Mission Pkwy
City/State/Zip: Mission Woods, KS 66205
Contact Person: Jeff Mohajir
Phone: (913) 748-3987

CONTRACTOR: License#: 5831
Name: MOKAT Drilling
Address: CONSERVATION DIVISION WICHITA, KS

Well Drilled For:
- Oil
- Gas
- Storage
- OWD
- Seismic
- Other

Well Class:
- Infield
- Pool Ext.
- Wildcat
- Other

Type Equipment:
- Mud Rotary
- Air Rotary
- Cable

Spot
- Sec. 10
- Twp. 31
- S. R. 17

East
- N
- E

West
- W

Is SECTION Regular
- Yes
- No

(Note: Locate well on the section plat on reverse side)

County: Montgomery
Lease Name: Burlingham
Field Name: Coffeyville-Cherryvale
Target Formation(s): Cherokee Coals
Is this a Prorated / Spaced Field?
- Yes
- No

Nearest Lease or unit boundary:
680 feet from the east line

Ground Water Surface Elevation: 869

Water well within one-quarter mile:
- Yes
- No

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

Depth to bottom of fresh water:
150 feet

Depth to bottom of usable water:
200 feet

Surface Pipe by Alternate:
- 1
- 2

Length of Surface Pipe Planned to be:
20 feet

Length of Conductor Pipe required:
None

Projected Total Depth:
1200 feet

Formation at Total Depth:
Cherokee Group, Lower Pennsylvanian

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

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 to the best of my knowledge and belief.

Date: 3/23/04
Signature of Operator or Agent: [Signature]
Title: COO

For KCC Use ONLY

API # 15 - 125-30491-0000

Conductor pipe required: NONE

Minimum surface pipe required: 20 feet per Alt. + 2

This authorization expires: 9/24/04
(This authorization void if drilling not started within 6 months of effective date.)

Spud date: Agent:

Mail to: KCC - Conservation Division, 130 S. Market - Room 2075, Wichita, Kansas 67202
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.

<table>
<thead>
<tr>
<th>API No. 15 -</th>
<th>Operator: Layne Energy Operating, LLC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lease:</td>
<td>Burlingame</td>
</tr>
<tr>
<td>Well Number:</td>
<td>8-10</td>
</tr>
<tr>
<td>Field:</td>
<td>Coffeyville-Cherryvale</td>
</tr>
<tr>
<td>Number of Acres attributable to well:</td>
<td></td>
</tr>
<tr>
<td>QTR / QTR / QTR of acreage:</td>
<td>SE NE</td>
</tr>
</tbody>
</table>

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Location of Well: County: Montgomery  
2059 feet from □ N □ S  
680 feet from □ E □ W  
Sec. 10 Twp. 31 S. R. 17  
East □ West

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.)

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 section's south / north and east / west.
3. The distance to the nearest lease or unit boundary line.
4. If proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached: (CO-7 for oil wells; CG-8 for gas wells).