KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
NOTICE OF INTENT TO DRILL

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

Expected Spud Date

OPERATOR: Licensee 33365
Name: Layne Energy Operating, LLC
Address: 1900 Shawnee Mission Parkway
City/State/Zip: Mission Woods, KS 66205

Contact Person: Melissa Thieme
Phone: 913-748-3987

CONTRACTOR: Licensee 5675
Name: McPherson Drilling

Well Drilled For:

- Oil
- Gas
- Storage
- OWWG Disposal
- Seismic: 2

Well Class: Wildcat
Type of Equipment:

- Mud Rotary
- Air Rotary

Receiving Agency:

KANSAS CORPORATION COMMISSION
WICHITA, KS

MAY 17 2004

If OWWG: 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 #:

Spot SW - SE
- SW 12S 31S

Sec 30 - 31S
Twp - T 15E

W 12E - 13W

Is SECTION Regular Irregular

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

County: Montgomery

Lease Name: Chism
Well #: 15-30
Field Name: Jefferson-Sycamore

Target Formation(s): Cherokee Coals

Nearest Lease or unit boundary: 661'
Ground Surface Elevation: 836
feet MSL
Water well within one-quarter mile:
Public water supply well within one mile:

Depth to bottom of fresh water:

Depth to bottom of usable water:

Surface Pipe by Alternate: 1 X 2
Length of Surface Pipe Planned to be set: 20'
Length of Conductor Pipe required: None

Projected Total Depth: 1500 Feet
Formation at Total Depth: Mississippian

Well Source for Drilling Operations:

Water for Drill Site:

DWR Permit #: Yes  No
(Next: 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. 55-101, 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 plugging 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. 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: 5/14/04
Signature of Operator or Agent:

Title: 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;
- Obtain written approval before disposing or injecting salt water.

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

For KCC Use ONLY
API #: 15
Conductor pipe required: NONE
Minimum surface pipe 20 feet per Alt. 1
Approved by: RSP 11-17-04
This authorization expires: 11-17-04

(This authorization void if drilling not started within 6 months of effective date.)

Spud date: 5-22-04
Agent:

30 B 15E
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.

API No. 15
Operator: Layne Energy Operating, LLC
Lease: Chism
Well Number: 15-30
Field:

Number of Acres attributable to well:
QTR / QTR / QTR of acreage: _______ SW _______ SE

Location of Well: County: Montgomery
1226 feet from S / N (circle one) Line of Section
1979 feet from E / W (circle one) Line of Section
Sec. 30 Twp. 31S S. R. 15E
☑ East [ ] West

Is Section ☑ Regular or [ ] Irregular

If Section is Irregular, locate well from nearest corner boundary.
Section corner used: [ ] NE [ ] NW [ ] SE [ ] SW

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CONSERVATION DIVISION
WICHITA, KS

(Show location of the well and shade attributable acreage for prorated or spaced wells.)
(Show footage to the nearest lease or unit boundary line.)

EXAMPLE

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: (CG-7 for oil wells; CG-8 for gas wells).