For KCC Use:
Effective Date: 5-18-04
District #: 3
SGA? X 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

Operator:
Licensed: 33365
Name: Layne Energy Operating, LLC
Address: 1900 Shawnee Mission Parkway
Mission Woods, KS 66205
Contact Person: Melissa Thieme
Phone: 913-748-3987

CONTRACTOR: Licensed: 5675
Name: McPherson Drilling

Well Drilled For:
[ ] Oil [ ] Gas [ ] Storage [ ] OWO
[ ] Enr Rec [ ] Pool Ext. [ ] Disposal [ ] Seismic
[ ] Infield [ ] Wildcat [ ] Other [ ] Other

Well Class:
Gas Storage

Type Equipment:
Mud Rotary

Location:
E/2 - SW - SW
Sec. 4, TWD 33 S, R 16 E

Is SECTION Regular □ Irregular X

If OWWO, old well information as follows:
Operator:
Well Name:
Original Completion Date:
Original Total Depth:
Directional, Deviated or Horizontal wellbore?
[ ] Yes X No
If Yes, true vertical depth:
Bottom Hole Location:
KCC DKT:

RECEIVED
KANSAS CORPORATION COMMISSION
MAY 1 2004

CONSERVATION DIVISION
WICHITA, KS

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 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.

I hereby certify that the statements made herein are true and to the best of my knowledge and belief.

Date: 5/12/04
Signature of Operator or Agent:
Title: Agent

For KCC Use ONLY
API # 15: 125 - 30542 - 0000
Conductor pipe required: None
Minimum surface pipe required: 20 feet per Alt.

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

4-33-14
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: Schmidt
Well Number: 13-4A
Field: Jefferson-Sycamore

Number of Acres attributable to well: ____________________
QTR / QTR / QTR of acreage: E2 SW SW

Location of Well: County: Montgomery
590' feet from S / N (circle one) Line of Section
1070' feet from E / W (circle one) Line of Section
Sec. 4 Twp. 33S S. R. 16E ✓ 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.)

RECEIVED
KANSAS CORPORATION COMMISSION
MAY 12 2004
CONSERVATION DIVISION
WICHITA, KS

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).