For KCC Use: 5-12-04

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

Effective Date: 3rd September 1999
Form must be Typed
All blanks must be Filled

Expected Spud Date: 05 11 2004

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

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

CONTRACTOR: License# 5675
Name: McPherson Drilling

Well Located For: Well Class: Type Equipment:
Oil Enh Rec Infield Mud Rotary
Gas Storage Pool Ext Air Rotary
OWO Disposal Wildcat Cable
Seismic # of Holes Other

If OWHO: old well information as follows:
Operator:
Well Name:
Original Completion Date:
Original Total Depth:

Directional, Deviated or Horizontal well:
[ ] Yes [ ] No
If Yes, true vertical depth:

Bottom Hole Location:

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KANSAS CORPORATION COMMISSION

MAY 7 2004

AFFIDAVIT

The undersigned hereby affirms that the precise 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. 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: 5/06/04
Signature of Operator or Agent: Melissa Thieme
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 of or injecting salt water.

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

For KCC Use ONLY

API # 15 - 125-30532-00-00
Conductor pipe required: NONE feet
Minimum surface pipe required: 20 feet per Alt. 2
Approved by:
This authorization expires: (This authorization void if drilling not started within 6 months of effective date.)
Spud date: 11-7-04
Agent:

30 21 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: Smith
Well Number: 13-30
Field:

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

Location of Well: County: ________________
____________________ feet from ___ / N (circle one) Line of Section
Sec. 30 __ Twp. 31S __ S. __ R. 14E __ 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.)

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MAY 07 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).