NOTICE OF INTENT TO DRILL

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

For KCC Use:

District #: 3

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Expected Spud Date:

May 30, 2005

Oper. Date:

June 30, 2005

OIL & GAS CONSERVATION DIVISION

Form G-1

September 1999

Form must be Typed

All blanks must be filled

For KCC Use:

Effective Date:

May 30, 2005

GSA #:

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

For KCC Use:

Effective Date:

May 30, 2005

GSA #:

Yes No

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

OPERATOR:

Layne Energy Operating, LLC

Name:

Layne Energy Operating, LLC

Address:

1900 Showtime Mission Parkwy

City/State/Zip:

Mission Woods, KS 66202

Contact Person:

M. Brent Nall

Phone:

(913) 728-3987

CONTRACTOR:

5675

Name:

MP Resources

Well Drilled For:

Well Class:

Type Equipment:

Gas Drill

Pool Ext

% Motor Rotary

No

Other

If OWWO, old well information as follows:

Operator:

Well Name:

Original Completion Date:

Original Total Depth:

Directional, Deviated or Horizontal well?

No

Yes

If Yes, true vertical depth:

Bottom Hole Location:

KCC DKT:

6

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 producer 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, NOTIFIT 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:

May 25, 2005

Signature of Operator or Agent:

M. B. Nuttall

Title:

Agent

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

Remember to:

- File Drill Per Application (Form CDP-1) with Intent to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File assurance application on drilling according to field ploration 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.
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 section 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: Sherwin Farms
WELL NUMBER: 2-13
Field: Cherokee Basin Coal Area
Number of Acres attributable to well: ____________________________

C Q T R / Q F R / Q T R of acreage: _______ NW _______ NE

Location of Well: County: Montgomery
559
feet from S 10' N Sec 13
feet from E 373.5' W
Sec 13
Twp 31
S R 14
E 107.5' W
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 outside of a prorated or spaced field a certificate of acreage attribution plat must be attached. (CG-7 for oil wells; CG-8 for gas wells).