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: 5-31-05
District #: 00471
Yes X No

Expected Spud Date: May 30, 2005

OPERATOR
Name: Jayne Energy Operating, LLC
Address: 1900 Shawnee Mission Parkway, Overland Park, KS 66205
City/State/Zip: Mission Woods, KS 66205
Contact Person: Brent Naughton
Phone: 913-714-3867

CONTRACTOR:
Name: McPherson 5675
Address: Wichita, KS

West Dated For: May 30, 2005
Well Class: Type Equipment:
OEM: Enc. Rec. Mud Rotary
Gas Storage: Frac. Ext. Air Rotary
OWO: Disposal Wildcat Cable
Selected: Other Other

If OWO: 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 #:

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. And 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 cementing 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 ALTERNATIVE 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: May 30, 2005
Signature of Operator or Agent: M. J. Nutter
Title: Agent

For KCC USE ONLY

Jan.# bien 30768-00-00
Conductor pipe required: N/A
Minimum surface pipe required: 20 feet per Ali. O

This authorization expires 11-26-05
(THIS AUTHORIZATION IS GOOD IF DRILLING STARTS WITHIN 6 MONTHS OF EFFECTIVE DATE.)

Spud date: Agent

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

Remember to:
- File Drill Rig Application (form CDP-1) with lessee to Drill;
- File Completion Form ACO-1 within 120 days of spud date;
- File acreage attribution plat according to field protection orders;
- Notify appropriate district office 24 hours prior to workover or re-entry;
- Submit plugging report (CP-4) after plugging is completed;
- Obtain written assurance 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 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 1/2 mile of the boundaries of the proposed acreage attribution unit for oil 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: Stultz
Well Number: 15-2
Field: Cherokee Basin Coal Area
Number of Acre of area attributable to well: ___________ , SW . SE

Location of Well: County: Montgomery
1000 feet (circle one) Line of Section
1800 feet from (circle one) Line of Section
Sec. 2 Twp. 31 S R 14 E
Is Section ______ Regular or ______ Irregular
If Section is Irregular, locate well from nearest corner boundary. Section corner used: NE NW SE SW

(Show location of the well and shade identifiable 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: (CG-7 for oil wells; CG-8 for gas wells).