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

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

KANSAS CORPORATION COMMISSION

Address: 700 N. Douglas
City/State/Zip: Topeka, KS 66620
Contact Person: Rollin Dicicco
Phone: 913-787-3567

RECEIVED
JUL 2 2005
KANSAS CORPORATION COMMISSION

License Name: Osborn
Well Name: Coaldale

CONSERVATION DIVISION

West Drilled For:

East Class:

Test Equipment:

Well Drilled For

West Class

Type Equipment

Lead Rotary

Air Rotary

Air Castle

SE

Sec.

T.

R.

Depth

Distance

West

North

Line of Section

Line of Section

Feet from

Feet from

Drilled

Drilled

Start

Start

 Bulg.14

14

14

28

28

32

6

700

1700

Feet

Feet

(Northeast corner)

(Northeast corner)

Is Section

Is Section

Regular

Regular

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

CONTRACTOR:

Licene No.: 28568

TST C.

Name: Thornton Air

CONTRACTOR:

Licene No.: 33365

TST C.

Name: Larry Energy Operating, LLC

OPERATOR:

Name: Larry Energy Operating, LLC

Address: 1900 Shawnee Mission Parkway

City/State/Zip: Mission Woods, KS 66205

Phone: 913-745-3967

Expected Spud Date: August 2 2005

Date July 28, 2005

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.

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 formations.
4. If the well is a dry hole, an agreement between the operator and the district office shall be signed 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 bottom 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.

Signature of Operator or Agent:_________________________________ Agent:__________________________

Date July 28, 2005

Remember to:

- File Drilling Application (Form CDP-1) with Intent to Drill,
- File Completion Form ACO-4 within 120 days of spud date,
- File seepage certification and report according to field promotion orders,
- Notify appropriate district office 48 hours prior to workover or re-entry,
- Submit Drilling report (CDP-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

Plot of acreage attributable to a well in a prorated or spaced field

If the intended well is in a prorated or spaced field, please key complete this side of the form. If the intended well is in a prorated or spaced field compete the grid 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 prorated acreage attribution unit for gas wells and within 10 mile of the boundaries of the proposed acreage attribution unit for oil wells.

All No. 15-3
Operator: Layne Energy Operating, LLC
Location: Osborn
Well Number: 15-3
Field: Cotemon

Number of Acres attributable to well: SW, SE

Location of Well: County - Montgomery
Well from 8

Location of Section:

Sec. 1

Twp. 32

R. 14

Is Section _______ regular or _______ irregular

If Section is irregular, locate well from _______ corner boundary.

Section corner well: 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.: section 1, section 2, etc., etc.
2. The distance of the proposed drilling location from the section's south, north, east, or west.
3. The distance to the nearest lease or unit boundary line.
4. If prorated location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached (CO-7 for oil wells; CO-8 for gas wells).