KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

NOTICE OF INTENT TO DRILL

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

For KCC Use

Effective Date: S 11-03
District # 3

SQA? ☒ No ☐

Expected Spud Date: July 27, 2005

OPERATOR: Licensee:
Name: Lenee Energy Operating, LLC
Address: 1950 Shawnee Mission Parkway, Suite 340
City/State/Zip: Mission Woods, KS 66205
Correct Person: Rolland Youkum
Phone: 913-748-3599

CONTRACTOR: Licensee: 5975
Name: McPherson

Well Drilled For:

[Information not legible]

Well Class:

[Information not legible]

Type Equipment:

[Information not legible]

Gas Storage Pool Est. Air Rotary Mud Rotary

Gas Storage

Dissolved Widalot Cable

Seismic: 3 # of Wells

If OWWO: old well information follows:

Operator:

[Information not legible]

Original Completion Date: Original Total Depth:

[Information not legible]

Directional: Deviated or Horizontal wellbore?

Yes ☐ No ☒

If Yes, true vertical depth:

[Information not legible]

Bottom Hole Location:

WAS: STEELE P-3

L: ZOOK P-3

KCC DR #:

[Information not legible]

AFFIDAVIT

RECEIVED

KANSAS CORPORATION COMMISSION

AUG 19 2005
CONSERVATION DIVISION

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. 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 circulated 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. Any appropriate district office will be notified before well is either plugged or production casing is cemented in;
6. If an ALTERATION of COMPLETION, production pipe shall be cemented from below any usable water to surface within 120 days of spudding date. In all cases, NOTIFY district office prior to cementing;

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

Date: August 18, 2005

For KCC ONLY

Signature of Operator or Agent:

Title: Agent

Remember to:

- File Drill Plan Application (form CDP-1) with District;
- File Completion Form ACO-1 within 120 days of spudding date;
- File acreage attribution plat according to field oremation orders.
- Notify appropriate district office 48 hours prior to workover or m-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
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: 125-30750
Operator: Layne Energy Operating, LLC
Lease: Zook
Well Number: 5-3
Field: Cherokee Basin Coal Area
Number of Acres attributable to well: ____________________________
QTR / QTR / QTR of acreage: ____________________________

Location of Well: County: Montgomery
1600
330
Sec. 5
1.6
NE

If Section is Irregular, locate well from nearest corner boundary.
Section corner read: NE NW SE SW

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: (CD-7 for oil wells; CD-8 for gas wells).

NOTE: In all cases locate the spot of the proposed drilling location.

EXAMPLE

CORRECTED

SEWARD CO.