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

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

KANSAS CORPORATION COMMISSION

For KCC Use

Date: 2-14-06

Oper. # 33985

Name: Loxene Energy Operating, LLC

Address: 9900 Shawnee Mission Parkway

City/State/Zip: Mission Woods, KS 66205

Contact Person: M. S. Buhssen

Phone: 913-748-3987

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KANSAS CORPORATION COMMISSION

CONSERVATION DIVISION

For Oil and Gas Permits

Well Drilled For: Oil

Well Class: Gas Storage

Gas: Yes

Oil: Yes

WATER: Yes

Oil: No

WATER: No

Location: 33985

Type of Wells: # of Holes

Oper. # 33985

Submitted: 33985

Well No.: 33985

Submitter: M. S. Buhssen

Date: 2-14-06

For KCC Use Only

API #: 125,307.50-00-00

Conductor pipe required: No

Minimum surface area required: 20 feet

Approved depth: 8,068 feet

This authorization expires: (This authorization will if drilling ceases within 5 months of effective date)

Spud date: 2-14-06

Agent: M. S. Buhssen

Remember to:

- File Drilling Application form CDP-1 with Intent to Drill;
- File Completion Form CCO-1 within 120 days of spud date;
- File acreage attribution Platt according to field designation 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 injected salt water.

If this permit has expired (See authorized expiration date) please check the box below and return to the address below.

- Well Not Drilled - Permit Expired

Signature of Operator or Agent:

Date: 2-14-06

Title: Agent

Affidavit:
The undersigned hereby affirms that the drilling, completion, and eventual plugging of this well will comply with K.S.A. 55 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 at 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 alternative II COMPLETION, production pipe shall be cemented from below any usable water to 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.

Date: 2-14-06

Signature of Operator or Agent: M. S. Buhssen

Title: Agent

Matt ref: KCC - Conservation Division, 130 S. Market - Room 2027, 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 prorated 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: Laine Energy Operating, LLC
Lease: 
Well Number: 13-14
Field: Cherokee Basin Coal
Number of Acres attributable to well: 
QTR / QTR / QTR of acreage: SW

Location of Well: County: Montgomery
960 feet from N / S Line of Section
660 feet from E / W Line of Section
Sec. 14, Twp. 31, S. NW 1/4

In 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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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 plot by identifying section lines, i.e. 1 section, 1 section with 2 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 a proposed location is located within a prorated or spaced field a certificate of acreage attribution plat must be attached (CO-71 for oil wells; CO-8 for gas wells).