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 Only
Effective Date: 0
Drilled by: 0
GSN?: 1

Operator: License 33685
Name: Layne Energy Operating, LLC
Address: 1900 Shawnee Mission Parkway
City/State/Zip: Kansas City, 66212
Contract: Phone: 913-473-3967
Contact Person: B. M. Nettles

Contractor: License 33906
Name: Thornton Air

Well Drilled For:

- Oil
- Eth Rec
- Storage
- WMD
- Disposal
- Other

Well Class:

- Field
- Mud Rotary
- Air Rotary
- Cable

Type of Operation:

- Drilling
- Completion
- Other

Operation:

- Initial
- Redrill
- Other

Well No.:

- 4-12-00

Well Location:

- NE
- SW
- Sec.
- T
- R
- Section
- Line

- feet from N
- feet from E

- Line of Section
- Imply

- Section

- Field

- Field

- Lease
- Other

- Located on the Section Plat

- No

- 31-23

- Cherokee Basin Coal

- 660

- feet

- Water well in one-quarter mile
- Public water supply well within one mile
- Depth to bottom of fresh water
- Depth to bottom of usable water

- 175

- 2

- Gallons per minute

- Water Supply
- Farm Pond
- Other

DWR Permit 

- Yes

- No

Will Core be Taken?

- Yes
- No

If Yes, proposed zone:

- 0

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 in each drilling rig.
3. The minimum amount of surface pipe as specified below shall be set by circulating cement to the top; all casing surface pipe shall be set behind all uncompleted materials plus a minimum of 20 feet into the underlying formations:
4. If the well is dry hole, an agreement between the operator and the district office on plug length and plugging 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 ALTERNATE II COMPLETION, production pipe shall be cemented from below any usable water surface within 120 days of spud date.

Or pursuant to Appendix B - Eastern Kansas surface casing order 1139,901-C, which applies to the KCC District 3 area, alternate II cementing must be completed within 30 days of the spud date or the well shall be plugged. 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: April 4, 2006
Signature of Operator or Agent: M. B. Nettles
Title: Agent

Remember to:
- Pay DOP Application (form CDF-1) with Intent is Del.
- Pay completion Form ACD-1 within 100 days of spud date.
- File appropriate allocation plat according to field ploration orders.
- Notify appropriate district office 48 hours prior to workover or re-entry.
- Submit plugging report (CG-4) after pluging is completed.
- Obtain written approval before disposing or injecting 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:

Mail to: KCC - Conservation Division, 130 S. Market - Room 2071, Wichita, Kansas 67202
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 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 allocation unit for gas wells and within 1/2 mile of the boundaries of the proposed acreage allocation unit for oil wells.

API No. 15: 125-31042-000
Operator: Layne Energy Operating, LLC
Lease: Schabed
Well Number: 11-23
Field: Cherokee Basin CoAL
Number of Acres attributable to well: ________
QTR / QTR / QTR of acreage: ________. NE. SW

Location of Well: County: Montgomery
1980 feet from N / S Line of Section
1980 feet from E / W Line of Section
Sec. 23 Twp. 31 S. R. 14
E / W East

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 located within a prorated or spaced field a certificate of acreage attribution plat must be attached. (CD-7 for oil wells; CD-6 for gas wells).
Operator Name: Layne Energy Operating, LLC
License Number: 33365

Operator Address: 1900 Shawnee Mission Parkway, Mission Woods, KS 66205
Contact Person: M. B. Nattrass
Phone Number: 913 748 3987

Lease Name & Well No.: Schabel 11-23
Pit Location (QQQQ): NE SW
Sec. 23 Twp. 31 n 14 m East / West
1980 Feet from / South Line of Section
1980 Feet from / West Line of Section
County

Is the pit located in a Sensitive Ground Water Area? ☐ Yes ☑ No
Chloride concentration: __________________ mg/l
(For Emergency Pits and Setting Pits only)

Is the bottom below ground level? ☑ Yes ☐ No
Artificial Liner: ☑ Yes ☐ No

Self-sealing Pit

How is the pit lined if a plastic liner is not used?

Type of Pit:
☐ Emergency Pit ☐ Artesian Pit
☐ Drilling Pit ☐ Drilling/Workover Pit
☐ Setting Pit ☐ Workover Pit
☐ Drilling/Workover Pit (Haul-Off Pit)

Pit is: ☑ Proposed ☐ Existing
If Proposed, date constructed: ___________
If Existing, date constructed: ___________

Pit capacity: ___________

Is the pit lined in a Sensitive Ground Water Area? ☑ Yes ☐ No
Artificial Liner: ☑ Yes ☐ No

Pit dimensions (all but working pits):
Length (feet) 30' Width (feet) 20' Depth from ground level to deepest point: 3'

Distance to nearest water well within one-mile of pit

Depth to shallowest ground water: __________ feet
Source of information:
measured by owner / well owner / electric log / KDWR

Emergency, Setting and Burn Pits ONLY:

Drilling Wells Only:
Type of material utilized in drilling/working: Fresh Water Mud
Number of wells produced daily: __________
Borehole procedure: Let Evaporate until dry and then backfill
Drill pits must be cleaned within 360 days of spud date.

I hereby certify that the above statements are true and correct to the best of my knowledge and belief:

April 4, 2006
Signature of Applicant or Agent

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

KCC OFFICE USE ONLY

Date Received: 6/1/06
Permit Number: Permit Date: 6/1/06
Lease Inspection: Yes ☑ No ☐