

ORIGINAL

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

Form ACO-1  
September 1999  
Form Must Be Typed

WELL COMPLETION FORM  
WELL HISTORY - DESCRIPTION OF WELL & LEASE

Operator: License # 33365  
 Name: Layne Energy Operating, LLC  
 Address: 1900 Shawnee Mission Parkway  
 City/State/Zip: Mission Woods, KS 66205  
 Purchaser: \_\_\_\_\_  
 Operator Contact Person: Jeff Mohajir  
 Phone: (913) 748-3987  
 Contractor: Name: McPherson Drilling  
 License: 5675  
 Wellsite Geologist: \_\_\_\_\_  
 Designate Type of Completion:  
 New Well     Re-Entry     Workover  
 Oil     SWD     SLOW     Temp. Abd.  
 Gas     ENHR     SIGW  
 Dry     Other (Core, WSW, Expl., Cathodic, etc)  
 If Workover/Re-entry: Old Well Info as follows:  
 Operator: \_\_\_\_\_  
 Well Name: \_\_\_\_\_  
 Original Comp. Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_  
 Deepening     Re-perf.     Conv. to Enhr./SWD  
 Plug Back     Plug Back Total Depth  
 Commingled    Docket No. \_\_\_\_\_  
 Dual Completion    Docket No. \_\_\_\_\_  
 Other (SWD or Enhr.?)    Docket No. \_\_\_\_\_  

<u>June 30, 2004</u>	<u>July 7, 2004</u>	<u>August 30, 2004</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

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NOV 04 2004  
CONSERVATION DIVISION  
WICHITA, KS

API No. 15 - 125-30544 - 00 - 00  
 County: Montgomery  
NE NE SW NW Sec. 29 Twp. 31 S. R. 15  East  West  
1648 feet from S / (N) (circle one) Line of Section  
992 feet from E / (W) (circle one) Line of Section  
 Footages Calculated from Nearest Outside Section Corner:  
 (circle one) NE SE (NW) SW  
 Lease Name: Smith Well #: 5-29  
 Field Name: Jefferson-Sycamore  
 Producing Formation: Cherokee Coals  
 Elevation: Ground: 962 Kelly Bushing: \_\_\_\_\_  
 Total Depth: 1475 Plug Back Total Depth: 1474  
 Amount of Surface Pipe Set and Cemented at 20 Feet  
 Multiple Stage Cementing Collar Used?  Yes  No  
 If yes, show depth set \_\_\_\_\_ Feet  
 If Alternate II completion, cement circulated from 1474  
 feet depth to Surface w/ 190 sx cmt.  
ALTI WHM 8-17-06

**Drilling Fluid Management Plan**  
 (Data must be collected from the Reserve Pit)  
 Chloride content N/A ppm Fluid volume \_\_\_\_\_ bbls  
 Dewatering method used N/A - Air Drilled  
 Location of fluid disposal if hauled offsite: \_\_\_\_\_  
 Operator Name: \_\_\_\_\_  
 Lease Name: \_\_\_\_\_ License No.: \_\_\_\_\_  
 Quarter \_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  East  West  
 County: \_\_\_\_\_ Docket No.: \_\_\_\_\_

**INSTRUCTIONS:** An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side two of this form will be held confidential for a period of 12 months if requested in writing and submitted with the form (see rule 82-3-107 for confidentiality in excess of 12 months). One copy of all wireline logs and geologist well report shall be attached with this form. ALL CEMENTING TICKETS MUST BE ATTACHED. Submit CP-4 form with all plugged wells. Submit CP-111 form with all temporarily abandoned wells.

All requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Signature: [Signature]  
 Title: Agent Date: Nov 3, 04  
 Subscribed and sworn to before me this 3<sup>rd</sup> day of November,  
20 04.  
 Notary Public: [Signature]  
 Date Commission Expires: \_\_\_\_\_

**KCC Office Use ONLY**  
~~DENY~~ Letter of Confidentiality Attached  
 If Denied, Yes  Date: 11-5-04 DAW  
 Wireline Log Received  
 Geologist Report Received  
 UIC Distribution

**MARGARET ALLEN**  
Notary Public - State of Kansas  
My Appt. Expires 10/14/08

Operator Name: Layne Energy Operating, LLC. Lease Name: Smith Well #: 5-29  
 Sec. 29 Twp. 31 S. R. 15  East  West County: Montgomery

**INSTRUCTIONS:** Show important tops and base of formations penetrated. Detail all cores. Report all final copies of drill stems tests giving interval tested, time tool open and closed, flowing and shut-in pressures, whether shut-in pressure reached static level, hydrostatic pressures, bottom hole temperature, fluid recovery, and flow rates if gas to surface test, along with final chart(s). Attach extra sheet if more space is needed. Attach copy of all Electric Wireline Logs surveyed. Attach final geological well site report.

Drill Stem Tests Taken  Yes  No  
*(Attach Additional Sheets)*

Samples Sent to Geological Survey  Yes  No

Cores Taken  Yes  No

Electric Log Run  Yes  No  
*(Submit Copy)*

List All E. Logs Run:

Compensated Density Neutron

Dual Induction

<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample
Name	Top	Datum
Pawnee Lime	890 GL	72
Excello Shale	1032 GL	-70
V Shale	1081 GL	-119
Mineral Coal	1124 GL	-162
Mississippian	1375 GL	-413

CASING RECORD <input checked="" type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacs Used	Type and Percent Additives
Surface	11	8.65	23	20	Class A	4	Type 1 cement
Casing	7 7/8	5.5	15.5	1747	Thick Set	190	

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
<input type="checkbox"/> Perforate <input type="checkbox"/> Protect Casing <input type="checkbox"/> Plug Back TD <input type="checkbox"/> Plug Off Zone				

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used)	Depth
4	1368-1370, 1328.5-1330	Riverton & Rowe: 675G 15% HCL Acid, 325bbbls 1% KCL Water, 2062# 20/40 Sand, Balls	1328.5-1370
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TUBING RECORD		Size	Set At	WICHITA, KS	Packer At	Liner Run
		2 7/8	1118			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr.			Producing Method			
September 28, 2004			<input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)			
Estimated Production Per 24 Hours	Oil Bbbls.	Gas Mcf	Water Bbbls.	Gas-Oil Ratio	Gravity	
		99.7	75			

Disposition of Gas  Vented  Sold  Used on Lease *(If vented, Submit ACO-18.)*

METHOD OF COMPLETION  Open Hole  Perf.  Dually Comp.  Commingled

Production Interval  Other (Specify) \_\_\_\_\_

# GEOLOGIC REPORT

LAYNE ENERGY

Smith 5-29

SW ¼, NW ¼, 1,648' FNL, 992' FWL

Section 29-T31S-R15E

MONTGOMERY COUNTY, KANSAS

Drilled: June 30 – July 7, 2004

Logged: July 7, 2004

A.P.I.# 15-125-30544

Ground Elevation: 962'

Depth Driller: 1,475'

Depth Logger: 1,475'

Surface Casing: 8 5/8" @ 20'

Production Casing: 5 1/2" @ 1,474'

Cemented Job: Consolidated

Open Hole Logs: Compensated density neutron log, dual induction sfl/gr log

## FORMATION ..... TOPS (in feet below ground surface)

Lansing Group ..... Surface (Stoner Limestone Member)

Lenapah Lime ..... 698

Altamont Lime ..... 744

Mulberry Coal ..... 885

Pawnee Lime ..... 890

Anna Shale ..... 911

First Oswego Lime ..... 975

Little Osage Shale ..... 1,009

Excello Shale ..... 1,032

Mulky Coal ..... 1,036

Iron Post Coal ..... 1,060

"V" Shale ..... 1,081

Croweburg Coal ..... 1,083

Mineral Coal ..... 1,124

Tebo Coal ..... 1,175

Weir Pitt Coal ..... 1,185

Bluejacket Coal ..... 1,224

AW Coal ..... 1,329

Riverton Coal ..... 1,370

Mississippian ..... 1,375

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NOV 04 2004

CONSERVATION DIVISION  
WICHITA, KS

MORNING COMPLETION REPORT

Report Called in by: : JOHN ED

Report taken by:

KRD

LEASE NAME & #		AFE#	DATE	DAYS	CIBP DEPTH	PBTD TYPE FLUID
SMITH 5-29			6/30/04	1	CIBP TYPE	
PRESENT OPERATION:				DRILL OUT FROM UNDER SURFACE		
DEEPEST CASING OD SHOE DEPTH	LINERS OD TOP & SHOE DEPTH		REPAIR DOWN TIME HRS		CONTRACTOR RKG NO	
PACKER OR ANCHOR	FISHING TOOLS	OD	ID	TEST PERFS	SQUEEZED OR PLUG BACK PERFS	
				TO	TO	
				TO	TO	
				TO	TO	
				TO	TO	
HRS	BRIEF DESCRIPTION OF OPERATION					
	MIRU MCPHERSON DRILLING, DRILLED 11" HOLE, 20' DEEP, RIH W/ 1 JT 8 5/8" SURFACE CASING,					
	MIXED 4 SXS TYPE 1 CEMENT, DUMPED DN THE BACKSIDE, SDFN.					
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DAILY COST ANALYSIS

RIG	_____
SUPERVISION	200
RENTALS	_____
SERVICES	400
MISC	2280

DETAILS OF RENTALS, SERVICES, & MISC

MOKAT DRILLING @ 8.50/ft	
MOKAT (CEMENT)	80
DIRTWORKS (LOC.RD. PIT)	400
SURFACE CASING	200
LAND/ LEGAL	2000

DAILY TOTALS      2880      PREVIOUS TCTD      TCTD      2880

# CONSOLIDATED OIL WELL SERVICES

PO Box 103  
Eureka, Kansas 67045

Cementing Ticket  
and Invoice Number

No. **5644**

Date <b>7-8-04</b>	Customer Order No. <b>4758</b>	Sect.	Twp.	Range	Truck Called Out	On Location	Job Began	Job Completed
Owner <b>Layne Energy</b>		Contractor <b>Gus Jones</b>			Charge To <b>Layne Energy</b>			
Mailing Address <b>P.O. Box 160</b>		City <b>Sycamore</b>			State <b>Ks.</b>			
Well No. & Form <b>Smith 5-29</b>		Place <b>Montgomery</b>			County <b>Montgomery</b> State <b>Kansas</b>			
Depth of Well <b>1475'</b>	Depth of Job <b>1474'</b>	Casing <b>(New)</b>	Size <b>5 1/2"</b>	Weight <b>15.5</b>	Size of Hole Amt. and Kind of Cement <b>190 Sks</b>	Cement Left in casing by	Request Necessity <b>0</b> feet	
Kind of Job <b>Longstring PBD 1474'</b>					Drillpipe	(Rotary)	Truck No. <b>444</b>	
					Tubing	(Cable)		

Price Reference No. **5401**  
Price of Job **710.00**

Second Stage \_\_\_\_\_  
Mileage **n/a Truck in field**

Other Charges \_\_\_\_\_  
Total Charges **710.00**

Remarks **Safety Meeting: Rig up to 5 1/2" casing, break circulation with fresh water - wash casing down, circulate hole with 200 Bbls water. Pumped 5 Bbl Metasilicate PreFlush followed with 25 Bbls fresh water (Dye) Mixed 190 Sks Thick Set Cement w/ 10" P/SKOL KOL-SEAL or 133 lbs P/SKOL. Shut down - wash out pump lines - Release Plug. Displace Plug with 35 Bbls water. Final pumping at 650 PSI - Bumped Plug to 1100 PSI. Release Pressure - Float Hold - close casing in w/ 0 PSI. Good cement returns to surface with 7 Bbl. Slurry.**

Cementor **Brad Butler** Job complete - Tear down

Helper **Allen - Antony - Ed - Rick** District **Eureka** State **Kansas**

The above job was done under supervision of the owner, operator, or his agent whose signature appears below.

*Mark Jones*  
Agent of contractor or operator

"Thank you"

Sales Ticket for Materials Only

Quantity Sacks	BRAND AND TYPE	PRICE	TOTAL
190 Sks	Thick Set Cement # 1126A	11.85	2251.50
38 Sks	KOL-SEAL 10" P/SKOL # 1110A	15.75	598.50
50 lbs	Metasilicate PreFlush KANSAS CORPORATION COMMISSION # 1111A	1.40/lb	70.00
NOV 04 2004			
6 Hrs	80 Bbl. VAC Truck CONSERVATION DIVISION # 5502C	78.00	468.00
6 Hrs	80 Bbl. VAC Truck WICHITA, KS # 5502C	78.00	468.00
3000 GAL	City water # 1123	11.50 P/1000	34.50
6700 GAL	Fresh water	N/C	N/C
5 Hrs	Welder # 5605A	70.00	350.00
1	5 1/2" Weldoan Collar # 4312	50.00	50.00
1	5 1/2" Top Rubber Plug # 4406	40.00	40.00
Plugs	" 5407A 10.45 Ton	Mileage 25	222.06
Delivered by Truck No.			Sub Total
Delivered from <b>Eureka</b>			Discount
Signature of operator <b>Brad Butler</b>			Sales Tax
			Total

191238