

CONFIDENTIAL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL

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: M. B. Natrass
 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. _____
 6/23/2006 6/27/2006
 Spud Date or Date Reached TD Completion Date or
 Recompletion Date Recompletion Date

API No. 15 - 125-31028-00-00
 County: Montgomery
 _____ NE _____ NW Sec. 16 Twp. 34 S. R. 16 East West
660 feet from S / (circle one) Line of Section
1980 feet from E / (circle one) Line of Section
 Footages Calculated from Nearest Outside Section Corner:
 _____ (circle one) NE SE NW SW
 Lease Name: Hosenev Well #: 3-16
 Field Name: Jefferson-Sycamore
 Producing Formation: Cherokee Coals
 Elevation: Ground: 871 Kelly Bushing: _____
 Total Depth: 1283 Plug Back Total Depth: 1266
 Amount of Surface Pipe Set and Cemented at 22 Feet
 Multiple Stage Cementing Collar Used? Yes No
 Yes, show depth set _____ Feet
 If Alternate II completion, cement circulated from 1266
 feet depth to Surface w/ 130 sx cmt.

KCC
OCT 19 2006
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KANSAS CORPORATION COMMISSION

OCT 20 2006
CONSERVATION DIVISION
WICHITA, KS

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: 10/19/2006
 Subscribed and sworn to before me this 19 day of October
20
 Notary Public: [Signature]
 Date Commission Expires: 12/28/09

NOTARY PUBLIC - State Of Kansas
BROOKE C. MAXFIELD
 My Appt. Exp. 12/28/09

KCC Office Use ONLY
 Letter of Confidentiality Attached
 If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution