

ORIGINAL

CONFIDENTIAL

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

RECEIVED KANSAS CORPORATION

Form ACO-1 September 1999 Form Must Be Typed

WELL COMPLETION FORM WELL HISTORY - DESCRIPTION OF WELL & LEASE

APR 13 2004 04-13-04 CONSERVATION DIVISION WICHITA, KS

Operator: License # 33365 Name: Layne Energy Operating, LLC Address: 1900 Shawnee Mission Parkway City/State/Zip: Mission Woods, KS 66205 Purchaser: Operator Contact Person: Melissa Thieme Phone: (913) 748-3971 Contractor: Name: MOKAT Drilling License: 5831 Wellsite Geologist: Rolland Yoakum

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Designate Type of Completion: [X] New Well [] Re-Entry [] Workover [] Oil [X] 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.

2/5/04 2/24/04 3/1/04 Spud Date or Date Reached TD Completion Date or Recompletion Date

API No. 15 - 125-304500000 County: Montgomery N/2 NE NW NW Sec. 21 Twp. 31 S. R. 17 [X] East [] West 92 feet from S / N (circle one) Line of Section 4263 feet from E / W (circle one) Line of Section Footages Calculated from Nearest Outside Section Corner: (circle one) NE SE NW SW Lease Name: Pierce SWD Well #: 4-21 Field Name: Coffeyville-Cherryvale Producing Formation: Cherokee Coals Elevation: Ground: 835 Kelly Bushing: 838 Total Depth: 1801 Plug Back Total Depth: Open Hole Amount of Surface Pipe Set and Cemented at 32 Feet Multiple Stage Cementing Collar Used? [] Yes [X] No If yes, show depth set Feet If Alternate II completion, cement circulated from 1260 feet depth to Surface w/ 175 sx cm.

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: 4/12/04

Subscribed and sworn to before me this 12th day of April 2004

Notary Public: Melissa Thieme Date Commission Expires: 6/20/05

MELISSA THIEME NOTARY PUBLIC STATE OF KANSAS My Appt. Exp. 6/20/05

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

✓

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Side Two

CONSERVATION DIVISION
WICHITA, KS 67202-421

Operator Name: Layne Energy Operating, LLC Lease Name: Pierce SWD
 Sec. 21 Twp. 31 S. R. 17 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
 Cement Bond Logs (Already Sent In)

<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample
Name	Top	Datum
Pawnee Lime	437 GL	398
Excello Shale	571 GL	264
Riverton Coal	980 GL	-145
Arbuckle Group	1267 GL	-432
Roubidoux Formation	1767 GL	-932

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 5/8	24#	32	Portland Type 1	8	Cmtd by MOKAT
Casing	7 7/8"	5 1/2	15.5	1260	Thicket w/ Flocele	175	Cmtd by Blue Star

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
___ Perforate				
___ Protect Casing				
___ Plug Back TD				
___ 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
		Acidized Arbuckle w/ 1000g of 15% HCL and 200 lbs Fresh Water	1258-1801
		KCC	
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TUBING RECORD	Size	Set At	Packer At	Liner Run
	2 3/8"	1800'	1212'	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr.	Producing Method			
SI-Waiting On Approval to Dispose	<input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)			
Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio Gravity

Disposition of Gas Vented Sold Used on Lease Open Hole Perf. Dually Comp. Commingled Other (Specify) _____

METHOD OF COMPLETION Other (Specify) _____

Production Interval _____

(If vented, Submit ACO-18.)

APR 13 2004

Air Drilling
Specialist
Oil and Gas Wells
Operator

CONSERVATION DIVISION
WICHITA, KS



M.O.K.A.T. DRILLING
Office Phone: (620) 879-5377



P.O. Box 590
Caney, KS 67333

Well No.	Lease	Loc.	1/4	1/4	1/4	Sec.	21	Twp.	31	Rge.	17E
4-21	PIERCE										
County	State	Type/Well	Depth	Hours	Date Started	Date Completed					
MONTGOMERY	KS		1270'		2/05/04	2/09/04					

Job No.	Casing Used	Bit Record						Coring Record				
		Bit No.	Type	size	From	To	Bit No.	type	Size	From	To	% Rec.
	32'8" OF 8 5/8"			7 7/8"								
Driller	Cement Used											
BILLY	10 SACKS											
Driller	Rig No.											
	#1											
Driller	Hammer No.											

Formation Record

From	To	Formation	From	To	Formation	From	To	Formation	From	Formation
0	4	CLAY	514	534	SAND	780	807	SHALE		
4	40	LIME	534	548	LIME (OSWEGO)	807	874	SAND		
40	72	SAND	539		GAS TEST 1/2# ON 1/8"	874	876	BLK SHALE		
72	73	COAL	548	555	BLK SHALE (SUMMIT)	876	904	SANDY SHALE		
73	77	SHALE	555	573	LIME	904	921	SHALE		
77	78	COAL	564		GAS TEST 5# ON 1/8"	921	923	LIME		
78	97	SANDY SHALE	573	576	BLK SHALE (MULKY)	923	938	SAND		
97	127	LIME (WET)	576	577	COAL	938	960	SANDY SHALE		
127	147	SHALE	577	579	BLK SHALE	960	984	BLK SHALE		
147	166	LIME	579	585	LIME	984	987	COAL		
166	173	BLK SHALE	585	597	SHALE	987	990	SHALE		
173	188	LIME	589		GAS TEST 5# ON 1/8"	990		GAS TEST 5.5# ON 1/8"		
188	209	BLK SHALE	597	599	COAL (IRONPOST)	990	1025	MISS CHAT LIME		
209	222	SHALE	599	605	SHALE	1015		GAS TEST 5.5# ON 1/8"		
222	235	SANDY SHALE	605	615	SAND	1025	1080	BROWN LIME		
235	236	COAL	614		GAS TEST 2# ON 1/8"	1080	1155	GRAY LIME		
236	260	SAND	615	618	LIME	1155	1237	CRACK (LOTS OF WATER)		
260	265	LIME	618	628	SHALE	1155		WATERED OUT		
265	274	SANDY SHALE	628	630	LIME	1237	1250	GREEN SHALE		
274	300	SAND	630	631	BLK SHALE	1250	1253	LIME		
300	322	SANDY SHALE	631	633	COAL (CROWBERG)	1253	1267	SHALE		
322	385	SAND	633	668	SHALE	1267	1270	LIME (ARBUCKLE)		
385	395	SANDY SHALE	639		GAS TEST 6# ON 1/8"					
395	434	SHALE	668	669	LIME			T.D. 1270'		
434	435	BLK SHALE, COAL?	669	670	COAL (MINERAL)					
435	438	LIMEY SHALE	670	699	SHALE					
437		HAND CHECK (NO GAS)	699	700	COAL					
438	459	LIME (PAWNEE)	700	745	SHALE					
459	472	BLK SHALE	745	746	LIME					
472	508	SHALE	746	780	BLK SHALE					

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APR 13 2004
**BLUE STAR
ACID SERVICE, INC.**

PO Box 103
Eureka, Kansas 67045

Counting Ticket
and Invoice Number

Nº 5316

Date 2-11-04	Customer Order No.	Conservation District 21	County 315	Range 17E	Truck Called Out	On Location 11:00 AM	Job Began 1:05 PM	Job Completed 1:50 PM
Owner Layne Energy	Contractor Faith Well Service			Charge To Layne Energy				
Mailing Address P.O. Box 160			City Sycamore		State Ks 67363			
Well No. & Form Pierce 4-21 SWD	Place	County Montgomery #3			State Ks			
Depth of Well 1366'	Depth of Job 1360'	Casing New	Size 5 1/2	Weight 15.50 #	Size of Hole Amt. and Kind of Cement 175 SKS	Cement Left in casing by	Request Necessity 45' feet	
Kind of Job Longstring P.B.T.D. 1215'					Drillpipe	Cable (Rotary) AR #21		

Price Reference No.	# 1
Price of Job	665.00
Second Stage	
Mileage	607 135.00
Other Charges	
Total Charges	800.00

Remarks **SAFETY Meeting: Rig up to 5 1/2 casing. Pump 10 Bbl fresh water, 15 Bbl Gel Flush, 20 Bbl water, 15 Bbl Dye water. Mixed 175 SKS Thick Set Cement with 1/4" Flocele pearls @ 13.5# per/gal. wash out pump & lines. Shut down. Release Plug. Displace with 29° Bbl fresh water. Final Pumping Pressure 600 PSI. Bump Plug to 1250 PSI. Wait 2 minutes. Release Pressure. float held. Shut casing in @ 0 PSI. Good Cement Returns to Surface = 7 Bbl Slurry. Job Complete. Rig down**

Cementor **Kevin McCoy**
 Helper **Mike, Justin, Rick, Ross** District **EUREKA** State **Ks**
 The above job was done under supervision of the owner, operator, or his agent whose signature appears below
THANK YOU x **Mike [Signature]** Agent of contractor or operator

Sales Ticket for Materials Only

Quantity Sacks	BRAND AND TYPE	PRICE	TOTAL
175 SKS	Thick Set Cement	10.75	1881.25
44 #	Flocele 1/4" pearls	1.00	44.00
300 #	Gel Flush	9.50	28.50
3 Hrs	80 Bbl VAC TRUCK # 24	65.00	195.00
3 Hrs	80 Bbl VAC TRUCK # 20	65.00	195.00
3	Loads City water	20.00	60.00
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1	5 1/2 Top Rubber Plug	40.00	40.00
Plugs	175 SKS Handling & Dumping	.50	87.50
	9.62 TONS Mileage 60	-80	461.76
Delivered by Truck No. # 22		Sub Total	3793.01
Delivered from EUREKA		Discount	
Signature of operator Kevin McCoy		Sales Tax	5.3%
		Total	201.03
			3994.04