

CONFIDENTIAL

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: MOKAT Drilling
License: 5831

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. _____

June 1, 2004 June 2, 2004 6.3.04
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 205-25778 - 0000
County: Wilson
SE SE Sec. 16 Twp. 30 S. R. 17 East West
676 feet from (S) N (circle one) Line of Section
597 feet from (E) W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE (SE) NW SW
Lease Name: Badgley Well #: 16-16
Field Name: Neodesha

Producing Formation: Cherokee Coals
Elevation: Ground: 923 Kelly Bushing: _____
Total Depth: 1173 Plug Back Total Depth: 1165
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 1169
feet depth to Surface w/ 130 sx cmt.

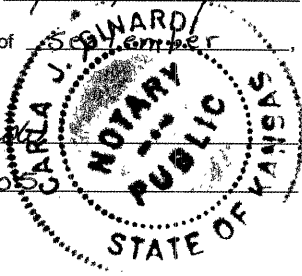
Drilling Fluid Management Plan
(Data must be collected from the Reserve Pit) Act II within 4-24-04
Chloride content N/A ppm Fluid volume _____ bbls
Dewatering method used N/A - Air Drilled

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: Jeff Mohajir
Title: Agent Date: 9.21.04
Subscribed and sworn to before me this 21st day of September
2004.
Notary Public: Carla J. Binard
Date Commission Expires: 5-21-2005



KCC Office Use ONLY

Letter of Confidentiality Attached
If Denied, Yes Date: _____

Wireline Log Received
 Geologist Report Received
 UIC Distribution

Operator Name: Layne Energy Operating, LLC. Lease Name: Badgley Well #: 16-16
 Sec. 16 Twp. 30 S. R. 17 East West County: Wilson

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 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>(Attach Additional Sheets)</i> Samples Sent to Geological Survey <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Electric Log Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Submit Copy)</i> List All E. Logs Run: Compensated Density Neutron Dual Induction	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">Name</td> <td style="width:20%;">Top</td> <td style="width:20%;">Datum</td> </tr> <tr> <td>Pawnee Lime</td> <td>545 GL</td> <td>378</td> </tr> <tr> <td>Excello Shale</td> <td>667 GL</td> <td>256</td> </tr> <tr> <td>V Shale</td> <td>734 GL</td> <td>189</td> </tr> <tr> <td>Mineral Coal</td> <td>770 GL</td> <td>153</td> </tr> <tr> <td>Mississippian</td> <td>1072 GL</td> <td>-149</td> </tr> </table>	Name	Top	Datum	Pawnee Lime	545 GL	378	Excello Shale	667 GL	256	V Shale	734 GL	189	Mineral Coal	770 GL	153	Mississippian	1072 GL	-149
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 KANSAS CORPORATION COMMISSION
SEP 22 2004
 CONSERVATION DIVISION
 WICHITA, KS

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	24	20	Class A	4	Type 1 cement
Casing	6.75	4.5	10.5	1169	Thick Set	130	

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
		<div style="font-size: 2em; font-weight: bold;">KCC</div> <div style="font-size: 1.5em; font-weight: bold;">SEP 22 2004</div> <div style="font-size: 1.5em; font-weight: bold; border: 1px solid black; padding: 5px;">CONFIDENTIAL</div>	

TUBING RECORD	Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr. SI - Waiting on completion		Producing Method <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 METHOD OF COMPLETION Production Interval

Vented Sold Used on Lease Open Hole Perf. Dually Comp. Commingled _____
(If vented, Submit ACO-18.) Other (Specify) _____

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SEP 22 2004

CONSERVATION DIVISION

Date: 6-3-04 Customer Order No. 4758 Sect. 16 Twp. 30s Range WICHITA 17E Ks Called Out
 Owner Layne Energy Contractor Gas Jones Charge To Layne Energy
 Mailing Address PO Box 160 City Sycamore State Ks.
 Well No. & Form Bradley Place Wilson County Wilson State Kansas
 Depth of Well 1173 Depth of Job 1169 Casing (New) Size 4 1/2" Weight 10.5 lb Size of Hole Amt. and Kind of Cement 130 sks Cement Left in casing by Request Necessity 4 feet
 Kind of Job S Longstring PBTD 1165 Drillpipe _____ (Rotary) _____ Truck No. 444
 Tubing _____ (Cable) _____

Price Reference No. _____
 Price of Job 3401 675.00
 Second Stage _____
 Mileage 5486 25 56.25
 Other Charges _____
 Total Charges 731.25

Remarks Safety Meeting: Rig up to 4 1/2" casing, break circulation with fresh water. Pumped 5 Bbl. Metasilicate. Followed with 10 Bbl. Dye water. Mixed 130 sks. Thick set cement w/ 10" P/SK of KOI-SEAL at 133 lbs P/SK. Shut down, washout pump & lines. Release Plug. Displace Plug with 18 1/2 Bbls water. Final pumping at 700 PST. Pumped Plug to 1200 PST. wait 2 min. Release Pressure - Float Hold. close casing in 0 PST. Good cement returns to surface with 10 Bbl slurry.

Cementer Brad Buttr Job complete - Tracdown
 Helper Alan-Rick Anthony District Fiveka State Kansas
 The above job was done under supervision of the owner, operator, or his agent whose signature appears below.
Thank you *[Signature]* Agent of contractor or operator

Sales Ticket for Materials Only

Quantity Sacks	BRAND AND TYPE	PRICE	TOTAL
130 sks	Thick Set Cement #1126 A	11.30	1469.00
26 sks	KOI-SEAL 10" P/SK #1110 A	15.00	390.00
50 lbs	Metasilicate P/SK flush #1111 A	1.35 lb	67.50
3 Hrs	80 Bbl VAC Truck KCC #5502 C	75.00	225.00
SEP 2 2004			
CONFIDENTIAL			
4 Hrs	Welder #5605 A	65.00	260.00
1	4 1/2" Weld on Collar #4311	45.00	45.00
1	4 1/2" Top Rubber Plug #4404	35.00	35.00
Handling & Dumping			
Plugs	#5407A 715 Feet Mileage 25	.80	143.00
			Sub Total 3365.75
Delivered by Truck No. #440			Discount
Delivered from Fiveka			Sales Tax 126.41
Signature of operator Brad Buttr			Total 3492.16

190720

GEOLOGIC REPORT

LAYNE ENERGY
Badgley 16-16
SE ¼, SE ¼, 676' FSL, 597' FEL
Section 16-T30S-R17E
WILSON COUNTY, KANSAS

Drilled: June 1-2, 2004
Logged: June 3, 2004
A.P.I.# 15-205-25778
Ground Elevation: 923'
Depth Driller: 1173'
Depth Logger: 1176'
Surface Casing: 8 5/8" @ 20'
Production Casing: 4 1/2" @ 1,169'
Cemented Job: Blue Star
Open Hole Logs: Compensated density neutron log, dual induction sfl/gr log

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CONSERVATION DIVISION
WICHITA, KS

KCC

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FORMATION.....	TOPS (in feet below ground surface)
Kansas City Group.....	Surface (Nellie Bly Formation)
Lenapah Lime.....	399
Altamont Lime.....	495
Pawnee Lime.....	545
Anna Shale.....	565
First Oswego Lime.....	621
Little Osage Shale.....	650
Excello Shale.....	667
Mulky Coal.....	672
Iron Post Coal.....	711
"V" Shale.....	734
Croweburg Coal.....	736
Mineral Coal.....	770
Tebo Coal.....	839
Bluejacket Coal.....	905
Riverton Coal.....	1063
Mississippian.....	1072

Layne Energy Operating, L.L.C.

1900 Shawnee Mission Parkway • Mission Woods, Kansas 66205 • (913) 748-3987 • Fax: (913) 748-3950

COPY

September 21, 2004

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KANSAS CORPORATION COMMISSION

SEP 22 2004

CONSERVATION DIVISION
WICHITA, KS

Kansas Corporation Commission
Oil & Gas Conservation Division
130 S. Market, Room 2078
Wichita, KS 67202

ATTN: Ms. Sharon Ahtone

Re: Badgley 16-16

KCC

SEP 21 2004

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Dear Ms. Ahtone:

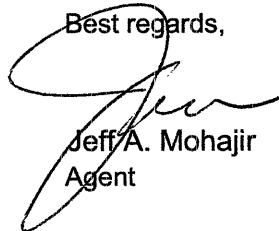
I have enclosed the ACO-1 form and associated data for the following well:

API #: 15-205-25778
Badgley 16-16

We respectfully request that all information submitted be kept confidential and per provision E-4 of K.A. R. 82-3-107, we request that the term of the confidentiality be extended by one year.

If you need additional information or have any questions or comments, please contact me at (913) 748-3987.

Best regards,



Jeff A. Mohajir
Agent

Enclosure

Cc Field Office
Well File

MORNING COMPLETION REPORT

Report Called in by: JOHN ED SINGLETON

Report taken by: Melissa T.

LEASE NAME & #		APE#	DATE	DAYS	CIBP	PBTD	
Badgley 16-16		C01024600100	08/01/04	1	DEPTH	TYPE FLUID	
PRESENT OPERATION:		DRILL OUT FROM UNDER SURFACE				WT	VIS
DEEPEST CASING OD SHOE DEPTH	LINERS OD TOP & SHOE DEPTH	REPAIR DOWN TIME HRS		CONTRACTOR			
		TEST PERFS		RIG NO			
PACKER OR ANCHOR	FISHING TOOLS OD ID	TO		SQUEEZED OR PLUG BACK PERFS			
		TO		TO			
		TO		TO			
		TO		TO			
HR6	BRIEF DESCRIPTION OF OPERATION						
	MIRU MOKAT DRILLING, DRILLED 11" HOLE, 20' DEEP, RIH W/ 1 JT 8 5/8" SURFACE CASING, RECEIVED						
	KANSAS CORPORATION COMMISSION						
	MIXED 4 SXS TYPE 1 CEMENT, DUMPED DN THE BACKSIDE, SDFN. SEP 2 2 2004						
	CONSERVATION DIVISION						
	WICHITA, KS						
	KCC						
	SEP 2 2004						
	CONFIDENTIAL						

DAILY COST ANALYSIS

RIG	_____
SUPERVISION	200
RENTALS	_____
SERVICES	400
MISC	2280

DETAILS OF RENTALS, SERVICES, & MISC

MOKAT DRILLING @ 6.50/ft	
MOKAT (CEMENT)	80
DIRTWORKS (LOC, RD, PIT)	400
SURFACE CASING	200
LAND/ LEGAL	2000

DAILY TOTALS 2880 PREVIOUS TCTD 50 TCTD 2930