

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

ORIGINAL

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: 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. _____
6/21/2005 6/23/2005 7/12/2005
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 205-26100-00-00
County: Montgomery
NW - NW - NE - NW Sec. 21 Twp. 30 S. R. 17 East West
330 feet from S / (N) (circle one) Line of Section
1500 feet from E / (W) (circle one) Line of Section
Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: B. Katzer Well #: 3-21
Field Name: Neodesha
Producing Formation: Cherokee Coals
Elevation: Ground: 900' Kelly Bushing: _____
Total Depth: 1161' Plug Back Total Depth: 1147'
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 1158'
feet depth to Surface w/ 130 sx cmt.
Drilling Fluid Management Plan
(Data must be collected from the Reserve Pit) ALT II WITH
Chloride content N/A ppm. Fluid volume _____ bbls
Dewatering method used N/A - Air Drilled
Location of fluid disposal if hauled offsite: KANSAS CORPORATION COMMISSION
Operator Name: _____
Lease Name: _____ License No.: _____
Quarter _____ Sec. _____ Twp. _____ S. R. CONSERVATION DIVISION
County: _____ Docket No.: WICHITA, KS

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: MB Natrass
Title: Agent Date: 10/11/2005
Subscribed and sworn to before me this 11th day of October
20 05
Notary Public: Ma Allen
Date Commission Expires: 10/14/2008

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



CONFIDENTIAL

Side Two

ORIGINAL

Operator Name: Layne Energy Operating, LLC Lease Name: B. Katzer Well #: 3-21
Sec. 21 Twp. 30 S. R. 17 [X] 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 [X] No
Samples Sent to Geological Survey [] Yes [X] No
Cores Taken [] Yes [X] No
Electric Log Run [X] Yes [] No
List All E. Logs Run: KCC OCT 11 2005
Compensated Density Neutron
Dual Induction
[X] Log Formation (Top), Depth and Datum [] Sample
Name Top Datum
Pawnee Lime 544 GL 356
Excello Shale 669 GL 231
V Shale 734 GL 166
Mineral Coal 772 GL 128
Mississippian 1063 GL -163

CASING RECORD [X] New [] Used
Report all strings set-conductor, surface, intermediate, production, etc.
Table with columns: 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

ADDITIONAL CEMENTING / SQUEEZE RECORD
Table with columns: Purpose, Depth Top Bottom, Type of Cement, #Sacks Used, Type and Percent Additives

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
See Attached
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TUBING RECORD Size Set At Packer At Liner Run [] Yes [X] No
Date of First, Resumerd Production, SWD or Enhr. 7/30/2005
Producing Method [] Flowing [X] Pumping [] Gas Lift [] Other (Explain)
Estimated Production Per 24 Hours Oil Bbls. 0 Gas Mcf 1 Water Bbls. 0 Gas-Oil Ratio Gravity

Disposition of Gas [] Vented [X] Sold [] Used on Lease (if vented, Submit ACO-18.)
METHOD OF COMPLETION [] Open Hole [X] Perf. [] Dually Comp. [X] Commingled [] Other (Specify)
Production Interval

Operator Name:	Layne Energy Operating, LLC.		
Lease Name:	B. Katzer 3-21		
	Sec. 21 Twp. 30S Rng. 17E, Montgomery County		
API:	15-205-26100		
Shots per Foot	Perforation Record	Acid, Fracture, Shot, Cement Squeeze Record	Depth
4	897.5-899, 845-850.5, 787.5-788.5, 772.5-773.5	Bluejacket, Tebo Shale, Scammon, Mineral - 1,500gal 15% HCL + 431 bbls water + 4,400# 20/40 Sand	772.5-899
4	734.5-736.5, 708.5-710, 668.5-674, 651-653.5, 540-541	Croweberg, Ironpost, Mulkey, Summit, Mulberry - 2,100gal 15% HCL + 425 bbls water + 4,500# 20/40 Sand	540-736.5

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OCT 14 2005

CONSERVATION DIVISION
WICHITA, KS

GEOLOGIC REPORT

LAYNE ENERGY

Katzer 3-21

NE ¼, NW ¼, 330' FNL, 1,500' FWL

Section 21-T30S-R17E

WILSON COUNTY, KANSAS

Drilled: June 21-23, 2005

Logged: June 24, 2005

A.P.I.# 15-205-26100

Ground Elevation: 900'

Depth Driller: 1,161'

Depth Logger: 1,160'

Surface Casing: 8 5/8" @ 20'

Production Casing: 4 1/2" @ 1,158'

Cemented Job: Consolidated

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

FORMATION	TOPS (in feet below ground surface)
Kansas City Group.....	Surface (Chanute Shale)
Lenapah Lime.....	356
Altamont Lime.....	391
Weiser Sand.....	470
Mulberry Coal.....	540
Pawnee Lime.....	544
Anna Shale.....	572
First Oswego Lime.....	621
Little Osage Shale.....	651
Excello Shale.....	669
Mulky Coal.....	673
Iron Post Coal.....	709
"V" Shale.....	734
Croweburg Coal.....	736
Mineral Coal.....	772
Scammon Coal.....	788
Tebo Coal.....	852
Bluejacket Coal.....	898
Rowe Coal.....	966
Mississippian.....	1,063

CONSOLIDATED OIL WELL SERVICES, I
 211 W. 14TH STREET, CHANUTE, KS 66720
 620-431-9210 OR 800-467-8676

TIC T NUMBER 5464
 LOCATION Eureka
 FOREMAN Brad Butler

TREATMENT REPORT & FIELD TICKET
 CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY																				
6-27-05	4758	Kotzer 3-21				Wilson																				
CUSTOMER Layne Energy			<table border="1"> <thead> <tr> <th>TRUCK #</th> <th>DRIVER</th> <th>TRUCK #</th> <th>DRIVER</th> </tr> </thead> <tbody> <tr> <td>446</td> <td>Scott</td> <td></td> <td></td> </tr> <tr> <td>442</td> <td>Anthony</td> <td></td> <td></td> </tr> <tr> <td>436</td> <td>Jason</td> <td></td> <td></td> </tr> <tr> <td>437</td> <td>Larry</td> <td></td> <td></td> </tr> </tbody> </table>				TRUCK #	DRIVER	TRUCK #	DRIVER	446	Scott			442	Anthony			436	Jason			437	Larry		
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436	Jason																									
437	Larry																									
MAILING ADDRESS P.O. Box 140																										
CITY Sycamore		STATE Ks.	ZIP CODE																							
Gus Jones																										

JOB TYPE Longstring HOLE SIZE 6 3/4 HOLE DEPTH 1161 CASING SIZE & WEIGHT 4 1/2" 10.5lb
 CASING DEPTH 1158 DRILL PIPE: TUBING PBITD 1147 OTHER _____
 SLURRY WEIGHT 13.2 SLURRY VOL 41 Bbl. WATER gal/sk 8.0 CEMENT LEFT in CASING 11
 DISPLACEMENT 18 1/4 Bbls DISPLACEMENT PSI 500 MIX PSI 900 Loaded Plug RATE 4BPM - 2BPM

REMARKS: Safety Meeting: Rig up casing, break circulation with water, wash casing to bottom 6' of Fill.
 Pumped 45 Bbls water ahead, 10 Bbl. Metasilicate, 10 Bbl. Spacer.
 Mixed 130 sks Thick Set cement w/ 10" P/SK w/ KOI-SEAL @ 13.2 lb P/GAL.
 Shutdown - wash out pump line - Release Plug - Displace Plug with 18 1/4 Bbls water.
 Final pumping @ 500 PSI - Pumped Plug to 900 PSI - wait 2 min - Release Pressure - Float Hold
 close casing w/ 0 PSI - Circulated 3 Bbl. Good cement To Surface.
 we had very poor circulation during cementing procedure.
 Job complete - Tear down.

Thank you

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION OF SERVICES or PRODUCT	UNIT PRICE	TOTAL
5401	1	PUMP CHARGE	765.00	765.00
5406	25	MILEAGE	2.50	62.50
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1126 A	130 SKs	Thick Set cement	13.00	1690.00
1110 A	26 SKs	KOI-SEAL 10" P/SK	16.90	439.40
1111 A	50 lbs	Metasilicate - Pre-Flush	1.55 lb	77.50
5407 A	7.15 Ton	25 miles - Bulk Truck	.92	164.45
5502 C	4 His.	80 Bbl. VAC Truck	82.00	328.00
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1123	6000 GAL	City water	12.20	73.20
5605 A	4 His	Welder	75.00	300.00
4311	1	4 1/2" Weldon Collar	48.00	48.00
4404	1	4 1/2" Top Rubber Plug	38.00	38.00
			SALES TAX 6.3%	149.06
			ESTIMATED TOTAL	4463.10

AUTHORIZATION Called by John Eick TITLE _____ DATE _____