

KCC

OCT 11 2005

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form ACO-1
September 1999
Form Must Be Typed

CONFIDENTIAL WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

CONFIDENTIAL

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. _____

<u>6/21/2005</u>	<u>6/27/2005</u>	<u>7/13/2005</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 205-26101 -00-00
 County: Montgomery
SW - SW - SW Sec. 21 Twp. 30 S. R. 17 East West
330 feet from N (circle one) Line of Section
330 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 #: 13-21
 Field Name: Neodesha
 Producing Formation: Cherokee Coals
 Elevation: Ground: 967 Kelly Bushing: _____
 Total Depth: 1221' Plug Back Total Depth: 1206'
 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 1217'
 feet depth to Surface w/ 130 sx cmt.
 Drilling Fluid Management Plan Alt II w/ H₂O
 (Data must be collected from the Reserve Pit) 12-13-07
 Chloride content N/A ppm Fluid volume _____ bbls
 Dewatering method used N/A - Air Drilled
 Location of fluid disposal if hauled offsite: _____
 Operator Name: _____ **RECEIVED**
 Lease Name: _____ **KANSAS CORPORATION COMMISSION**
 Quarter _____ Sec. _____ Twp. _____ S. R. 17 East West
 County: _____ Docket No.: _____ **CONSERVATION DIVISION**
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: MR Natrass
 Title: Agent Date: 10/11/2005
 Subscribed and sworn to before me this 11th day of October
 20 05.
 Notary Public: M. A.
 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

MARGARET ALLEN
 Notary Public - State of Kansas
 My Appt. Expires _____

CONFIDENTIAL

Operator Name: Layne Energy Operating, LLC Lease Name: B. Katzer Well #: 13-21
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: Compensated Density Neutron Dual Induction
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[x] Log Formation (Top), Depth and Datum [] Sample
Name Top Datum
Pawnee Lime 601 GL 366
Excello Shale 724 GL 243
V Shale 786 GL 181
Mineral Coal 823 GL 144
Mississippian 1,121 GL -154

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
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TUBING RECORD Size Set At Packer At Liner Run [] Yes [x] No
Date of First, Resumerd Production, SWD or Enhr. 7/29/2005
Producing Method [] Flowing [x] Pumping [] Gas Lift [] Other (Explain)
Estimated Production Per 24 Hours Oil Bbls. 0 Gas Mcf 23 Water Bbls. 40 Gas-Oil Ratio Gravity

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

Operator Name:	Layne Energy Operating, LLC.		
Lease Name:	B. Katzer 13-21		
	Sec. 21 Twp. 30S Rng. 17E, Montgomery County		
API:	15-205-26101		
Shots per Foot	Perforation Record	Acid, Fracture, Shot, Cement Squeeze Record	Depth
4	1103.5-1105.5, 951.5-953.5, 922-923, 896-897	Riverton, Bluejacket, Weir, Tebo - 1,500gal 15% HCL + 466 bbls water + 3,700# 20/40 Sand	896-1105.5
4	823-824.5, 786-788, 760-761, 651-653.5	Mineral, Croweberg, Ironpost, Summit - 1,000gal 15% HCL + 338 bbls water + 3,300# 20/40 Sand	651-824.5
	724-729, 705.5-708.5, 632-634, 626-628	Mulkey, Summit, Lexington, Anna Shale - 2,100gal 15% HCL + 516 bbls water + 5,400# 20/40 Sand	626-729

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GEOLOGIC REPORT

LAYNE ENERGY
Katzner 13-21
SW ¼, SW ¼, 330' FSL, 330' FWL
Section 13-T30S-R17E
WILSON COUNTY, KANSAS

Drilled: June 21-27, 2005
Logged: June 27, 2005
A.P.I.# 15-205-26101
Ground Elevation: 967'
Depth Driller: 1,221'
Depth Logger: 1,222'
Surface Casing: 8 5/8" @ 20'
Production Casing: 4 1/2" @ 1,217'
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.....	360
Altamont Lime.....	455
Mulberry Coal.....	597
Pawnee Lime.....	601
Anna Shale.....	626
First Oswego Lime.....	676
Little Osage Shale.....	706
Excello Shale.....	724
Mulky Coal.....	728
Iron Post Coal.....	760
"V" Shale.....	786
Croweburg Coal.....	788
Mineral Coal.....	823
Tebo Coal.....	896
Weir Pitt Coal.....	922
Bluejacket Coal.....	952
Riverton Coal.....	1,103
Mississippian.....	1,121

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MORNING COMPLETION REPORT

Report Called in by: : JES

Report taken by: KRD

LEASE NAME & #	DATE	DAYS	CIBP	PBYD
KATZER 13-21	6/21/2005	1	DEPTH TYPE	TYPE FLUID
PRESENT OPERATION:				WT VIS
DRILL OUT FROM UNDER SURFACE				
DEEPEST CASINO OD SHOE DEPTH	LINERS OD TOP & SHOE DEPTH	REPAIR DOWN TIME HRS	CONTRACTOR MOKAT RIG NO BILLY	
	8 5/8" 24# J-68 -- Set 20'	TEST PERFS	SQUEEZED OR PLUG BACK PERFS	
PACKER OR ANCHOR	FISHING TOOLS OD ID	TO	TO	
		TO	TO	
		TO	TO	
		TO	TO	
		TO	TO	
HRS	BRIEF DESCRIPTION OF OPERATION			
	MIRU MOKAT 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
DAILY TOTALS	<u>2880</u>

DETAILS OF RENTALS, SERVICES, & MISC

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

PREVIOUS TCTD _____ TCTD _____ 2880

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

TIC T NUMBER 5465
 LOCATION Fureka
 FOREMAN Bread Butler

TREATMENT REPORT & FIELD TICKET
 CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY																				
6-27-05	4758	Katz " 13 21				Wilson																				
CUSTOMER <u>Layne Energy</u>			<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>441</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			441	Anthony			436	Jason			437	Larry		
TRUCK #	DRIVER	TRUCK #					DRIVER																			
446	Scott																									
441	Anthony																									
436	Jason																									
437	Larry																									
MAILING ADDRESS <u>P.O. Box 160</u>																										
CITY <u>Sycamore</u>	STATE <u>Ks.</u>	ZIP CODE																								
Gus Jones																										
JOB TYPE <u>LongStings</u>																										

HOLE SIZE 6 3/4" HOLE DEPTH 1221' CASING SIZE & WEIGHT 4 1/2" 10.5 lb.
 CASING DEPTH 1217' DRILL PIPE _____ TUBING PBTD 1206' OTHER _____
 SLURRY WEIGHT 13.2 SLURRY VOL 41 Bbl. WATER gal/sk 8.0 CEMENT LEFT in CASING 11'
 DISPLACEMENT 19 Bbls DISPLACEMENT PSI 850 MIX PSI 1300 Loaded Plug RATE 4 BPM - 2 BPM

REMARKS: Safety Meeting! Rig up 4 1/2" casing. Break circulation with 35 Bbls water 10 Bbl Metasilicate, 10 Bbl Water Spacer. Mixed 130 SKS Thick Set cement w/ 10" P²/SK of KOI-SEAL @ 13.2 lb P²/GAL. Shut down - washout pump lines. Release Plug - Displace Plug with 19 Bbls water. Final pumping @ 850 PSI - Pumped Plug. 1300 PSI - wait 2 min. Release Pressure. Float Held - close casing in with 0 PSI. Good cement returns to surface with 8 Bbl slurry. Job complete. Tear down.

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Thank you

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
5401	1	PUMP CHARGE	765.00	765.00
5406	0	MILEAGE	2.50	N/C
1126 A	130 SKS.	Thick Set cement	13.00	1690.00
1110 A	26 SKS.	KOI-SEAL 10" P ² /SK	16.90	439.40
1111 A	50 lbs.	Metasilicate - Pre-flush	1.55 lb.	77.50
5407 A	7.15 Tons	25 miles - Bulk Truck	.92	164.45
5502 C	4 Hrs.	80 Bbl. VAC Truck	82.00	328.00
5502 C	4 Hrs.	80 Bbl. VAC Truck	82.00	328.00
1123	6000 GAL.	City water	12.20	73.20
5605 A	4 Hrs.	Welder	75.00	300.00
4311	0	4 1/2" Weld on Collar	48.00	0
4404	1	4 1/2" Top Rubber Plug	38.00	38.00
		SALES TAX 6.3%		146.09
		ESTIMATED TOTAL		4349.58

AUTHORIZATION Called by John Ed TITLE _____ DATE _____