

**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE**

Form ACO-1
September 1999
Form Must Be Typed

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: _____
 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. _____

<u>10/18/2005</u>	<u>10/20/2005</u>	<u>10/27/2005</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 125-30827 - 00-00
 County: Montgomery
N/2 NE NE Sec. 23 Twp. 31 S. R. 16 East West
423 feet from S / (N) (circle one) Line of Section
629 feet from (E) W (circle one) Line of Section
 Footages Calculated from Nearest Outside Section Corner:
 (circle one) NE SE NW SW
 Lease Name: Eastep Well #: 1-23
 Field Name: Jefferson-Sycamore
 Producing Formation: Cherokee Coals
 Elevation: Ground: 912' Kelly Bushing: _____
 Total Depth: 1240' Plug Back Total Depth: 1230'
 Amount of Surface Pipe Set and Cemented at 21' Feet
 Multiple Stage Cementing Collar Used? Yes No
 If yes, show depth set _____ Feet
 If Alternate II completion, cement circulated from 1237
 feet depth to Surface w/ 130 _____ sx cmt.
Alt 2 - Dlg - 10-17-08
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: **RECEIVED**
KANSAS CORPORATION COMMISSION
 Lease Name: _____ License No.: _____
FEB 15 2006
 Quarter _____ Sec. _____ Twp. _____ S. R. East West
 County: _____
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: *MB Natrass*
 Title: Agent Date: 2/14/06
 Subscribed and sworn to before me this 14 day of February
 20 06
 Notary Public: *Brooke C. Maxfield*
 Date Commission Expires: 12/28/09

KCC Office Use ONLY

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

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

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Operator Name: Layne Energy Operating, LLC Lease Name: Eastep Well #: 1-23
 Sec. 23 Twp. 31 S. R. 16 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 <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	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td><input checked="" type="checkbox"/> Log</td> <td>Formation (Top), Depth and Datum</td> <td><input type="checkbox"/> Sample</td> </tr> <tr> <td>Name</td> <td>Top</td> <td>Datum</td> </tr> <tr> <td>Pawnee Lime</td> <td>605 GL</td> <td>307</td> </tr> <tr> <td>Excello Shale</td> <td>750 GL</td> <td>162</td> </tr> <tr> <td>V Shale</td> <td>803 GL</td> <td>109</td> </tr> <tr> <td>Mineral Coal</td> <td>846 GL</td> <td>66</td> </tr> <tr> <td>Mississippian</td> <td>1135 GL</td> <td>-223</td> </tr> </table>	<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample	Name	Top	Datum	Pawnee Lime	605 GL	307	Excello Shale	750 GL	162	V Shale	803 GL	109	Mineral Coal	846 GL	66	Mississippian	1135 GL	-223
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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	21'	Class A	4	Type 1 cement
Casing	6.75	4.5	10.5	1240'	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
	See Attached	RECEIVED KANSAS CORPORATION COMMISSION FEB 15 2006 CONSERVATION DIVISION WICHITA, KS	

TUBING RECORD	Size <u>2 3/8"</u>	Set At <u>1115'</u>	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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Date of First, Resumerd Production, SWD or Enhr. <u>11/22/2005</u>	Producing Method <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)
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Estimated Production Per 24 Hours	Oil Bbls. <u>0</u>	Gas Mcf <u>11</u>	Water Bbls. <u>57</u>	Gas-Oil Ratio	Gravity
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Disposition of Gas <input type="checkbox"/> Vented <input checked="" type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	METHOD OF COMPLETION <input type="checkbox"/> Open Hole <input checked="" type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input checked="" type="checkbox"/> Commingled	Production Interval <input type="checkbox"/> Other (Specify) _____
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Operator Name:	Layne Energy Operating, LLC.		
Lease Name:	Eastep 1-23		
	Sec. 23 Twp. 31S Rng. 16E, Montgomery County		
API:	15-125-30827		
Shots per Foot	Perforation Record	Acid, Fracture, Shot, Cement Squeeze Record	Depth
4	1069-1070.5, 958-959, 922-923.5, 846-847	Rowe, Weir, Tebo, Mineral-4600# sand, 1000 gal 15% HCl acid, 446 bbls wtr	846-1070.5
4	804.5-806.5, 780.5-782, 749.5-755, 725.5-730.5	Croweberg, Ironpost, Mulky, Summit-6400# sand, 2500 gal 15% HCl acid, 593 bbls wtr	725.5-806.5

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WICHITA, KS

GEOLOGIC REPORT

LAYNE ENERGY
Eastepp 1-23
NE ¼ , NE ¼, 423' FNL, 629' FEL
Section 23-T31S-R16E
MONTGOMERY COUNTY, KANSAS

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KANSAS CORPORATION COMMISSION

FEB 15 2006

CONSERVATION DIVISION
WICHITA, KS

Drilled: October 18-20, 2005
Logged: October 20, 2005
A.P.I.# 15-125-30827
Ground Elevation: 912'
Depth Driller: 1,240'
Depth Logger: 1,240'
Surface Casing: 8 5/8" @ 21'
Production Casing: 4 1/2" @ 1,237'
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 (Cottage Grove Sandstone)
Lenapah Lime	410
Altamont Lime.....	449
Weiser Sand	527
Pawnee Lime	605
Anna Shale.....	628
First Oswego Lime	688
Little Osage Shale.....	726
Excello Shale	750
Mulky Coal	754
Iron Post Coal	781
"V" Shale	803
Croweburg Coal.....	806
Fleming Coal	813
Mineral Coal	846
Scammon Coal.....	883
Tebo Coal.....	922
Weir Pitt Coal	958
AW Coal	1,069
Riverton Coal.....	1,123
Mississippian	1,135

CONSOLIDATED OIL WELL SERVICES, INC.

P.O. BOX 884, CHANUTE, KS 66720

20-431-9210 OR 800-467-8676

TICKET NUMBER 07747

LOCATION Eureka

FOREMAN Brad Butler

TREATMENT REPORT & FIELD TICKET
CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY	
10-21-05	4158	Estep 1-23				MG	
CUSTOMER <u>Layne Energy</u>		Gus Jones		TRUCK #	DRIVER	TRUCK #	DRIVER
MAILING ADDRESS <u>P.O. Box 160</u>				<u>446</u>	<u>Scott</u>		
CITY <u>Sycamore</u>		STATE <u>Ks.</u>	ZIP CODE	<u>439</u>	<u>Justin</u>		
				<u>434</u>	<u>Jim</u>		

JOB TYPE <u>Logstring</u>	HOLE SIZE <u>6 3/4"</u>	HOLE DEPTH <u>1240'</u>	CASING SIZE & WEIGHT <u>4 1/2" - 10.5 lb</u>
CASING DEPTH <u>1237'</u>	DRILL PIPE	TUBING	OTHER <u>PBTD 1230'</u>
CURRY WEIGHT <u>13.2 lb</u>	SLURRY VOL <u>40 Bbl.</u>	WATER gal/sk <u>8.0</u>	CEMENT LEFT in CASING <u>7'</u>
DISPLACEMENT <u>19 1/2 Bbls</u>	DISPLACEMENT PSI <u>750</u>	PSI <u>1200 Pump Plug</u>	RATE

REMARKS: Safety Meeting: Rig up to 4 1/2" casing, Break circulation with 25 Bbls water
Pump 10 Bbl Gel Flush, 10 Bbl water spacer, 10 Bbl Metasilicate, 10 Bbl Dry water
Mixed 130 sks Thick Set cement w/ 10" PYSK of K01-SEAL at 13.2 lb PYSK
Shut down - washout pump lines - Release Plug - Displace Plug with 19 1/2 Bbls water
Final pumping @ 750 PSI - Bumped Plug to 1200 PSI - wait 2 minutes - Release Pressure
Float held - Good cement returns to surface with 8 Bbl slurry
Job complete - Test 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	40	MILEAGE	3.00	120.00
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1126A	130 SKS.	Thick Set cement	13.00	1690.00
1110A	26 SKS.	K01-SEAL 10" PYSK	16.90	439.40
1118A	4 SKS.	Gel Flush	6.63	26.52
1111A	50 lbs	Metasilicate - Pre flush	1.55 lb	77.50
5407A	7.15 Tow	40 miles - Bulk Truck	1.00	286.00
5502C	4 Hrs	80 Bbl VAC Truck	87.00	348.00
1123	3000 Gals	City water	12.20	36.60
5605A	4 Hrs	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
			5.3%	SALES TAX
				ESTIMATED
				TOTAL
				124.87
				4299.89

200409

AUTHORIZATION Called by John Ed TITLE _____ DATE _____

