

ORIGINAL

Form ACO-1
September 1999
Form Must Be Typed

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

KCC
JUN-2-9 2006
CONFIDENTIAL

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: McPherson Drilling
 License: 5675
 Wellsite Geologist: _____
 Designate Type of Completion:
 New Well Re-Entry Workover
 Oil SWD SIOW 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>3/7/2006</u>	<u>3/15/2006</u>	
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

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KANSAS CORPORATION COMMISSION
JUN 30 2006
CONSERVATION DIVISION
WICHITA, KS

API No. 15 - 125-30978-00-00
 County: Montgomery
 _____ SW NE Sec. 2 Twp. 32 S. R. 14 East West
1979 feet from S / N (circle one) Line of Section
1958 feet from E / W (circle one) Line of Section
 Footages Calculated from Nearest Outside Section Corner:
 _____ (circle one) NE SE NW SW
 Lease Name: Osburn Well #: 7-2
 Field Name: Cherokee Basin Coal
 Producing Formation: Cherokee Coals
 Elevation: Ground: 920 Kelly Bushing: _____
 Total Depth: 1523 Plug Back Total Depth: 1519
 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 1519
 feet depth to Surface w/ 155 sx cmt.

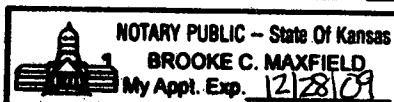
Drilling Fluid Management Plan AH II NH 7-1-08
 (Data must be collected from the Reserve Pit)
 Chloride content N/A ppm Fluid volume _____ bbls
 Dewatering method used N/A - Air Drilled
 Location of fluid disposal if hauled offsite: _____
 Operator Name: _____
 Lease Name: _____ License No.: _____
 Quarter _____ 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: MR Natrass
 Title: Agent Date: 6/29/06
 Subscribed and sworn to before me this 29 day of June
 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



Operator Name: Layne Energy Operating, LLC Lease Name: Osburn Well #: 7-2
 Sec. 2 Twp. 32 S. R. 14 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 <i>(Attach Additional Sheets)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample
Samples Sent to Geological Survey	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Name	Top	Datum
Cores Taken	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Pawnee Lime	913 GL	7
Electric Log Run <i>(Submit Copy)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Excello Shale	1066 GL	-146
List All E. Logs Run:		V Shale	1115 GL	-195
Compensated Density Neutron		Mineral Coal	1162 GL	-242
Dual Induction		Mississippian	1437 GL	-517

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	1519	Thick Set	155	

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 <i>(Amount and Kind of Material Used)</i>	Depth
	SI-Waiting on completion	RECEIVED KANSAS CORPORATION COMMISSION JUN 30 2006 CONSERVATION DIVISION WICHITA, KS	

TUBING RECORD	Size	Set At	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. SI-Waiting on completion	Producing Method <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other <i>(Explain)</i>
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Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity
	0				

Disposition of Gas: Vented Sold Used on Lease *(If vented, Submit ACO-18.)*

METHOD OF COMPLETION: Open Hole Perf. Dually Comp. Commingled

Production Interval: Other *(Specify)*

GEOLOGIC REPORT

LAYNE ENERGY
Osburn 7-2
SW NE, 1979 FNL, 1958 FEL
Section 2-T32S-R14E
Montgomery County, KS

KCC
JUN 29 2006
CONFIDENTIAL

Spud Date: 3/7/2006
Drilling Completed: 3/15/2006
Logged: 3/15/2006
A.P.I. #: 15-125-30978
Ground Elevation: 920'
Depth Driller: 1523'
Depth Logger: 1523'
Surface Casing: 8.625 inches at 20'
Production Casing: 4.5 inches at 1519.2'
Cemented Job: Consolidated
Open Hole Logs: Dual Induction SFL/GR, High Resolution
Compensated Density/Neutron

Formation

Lansing Group
Pawnee Limestone
Excello Shale
"V" Shale
Mineral Coal
Mississippian

Tops (in feet below ground level)

Surface (South Bend Limestone Member)
913
1,066
1,115
1,162
1,437

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WICHITA, KS

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CONSOLIDATED OIL WELL SERVICES, INC.
 P.O. BOX 884, CHANUTE, KS 66720
 620-431-9210 OR 800-467-8676

JUN 29 2006
CONFIDENTIAL

TICKET NUMBER 08488
 LOCATION EUREKA
 FOREMAN KEVIN MCCOY

TREATMENT REPORT & FIELD TICKET
CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY	
3-16-06	4758	OSBURN 7-2				MG	
CUSTOMER Layne Energy		Gus Jones Rig 2		TRUCK #	DRIVER	TRUCK #	DRIVER
MAILING ADDRESS P.O. Box 160				445	RICK L.		
CITY Sycamore		STATE KS		479	GALIN		
		ZIP CODE		436	John		

JOB TYPE Longstring HOLE SIZE 6 3/4 HOLE DEPTH 1523' CASING SIZE & WEIGHT 4 1/2 10.5" New
 CASING DEPTH 1519' DRILL PIPE _____ TUBING _____ OTHER _____
 SLURRY WEIGHT 13.2" SLURRY VOL 48 BBL WATER gal/sk 8.0 CEMENT LEFT IN CASING 0'
 DISPLACEMENT 24.2 BBL DISPLACEMENT PSI 700 ~~PSI 1200 Bump Plug~~ RATE _____

REMARKS: Safety Meeting: Rig up to 4 1/2 casing. Break circulation w/ 30 BBL fresh water. Pump 4 sks Gel flush, 5 BBL water spacer, 10 BBL Metasilicate pre flush, 15 BBL dye water. Mixed 155 sks Thick Set Cement w/ 10" Kol-Seal per/sk @ 13.2" per/gal, yield 1.75. Wash out pump & lines. Shut down. Release Plug. Displace w/ 24.2 BBL fresh water. Final Pumping Pressure 700 psi. Bump Plug to 1200 psi. Wait 2 minutes. Release Pressure. Float Hold. Good Cement Returns to Surface = 9 BBL Slurry. Job Complete. Rig down.

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
5401	1	PUMP CHARGE	800.00	800.00
5406	40	MILEAGE 1 st well of 2	3.15	126.00
1126 A	155 SKS	Thick Set Cement	14.65	2270.75
1110 A	1550 "	Kol-Seal 10" per/sk	.36 "	558.00
1118 A	200 "	Gel Flush	.14 "	28.00
1111 A	50 "	Metasilicate Pre Flush	1.65 "	82.50
5407 A	8.52 Tons	40 miles BULK TRUCK	1.05	357.84
5502 C	3 Hrs	80 BBL VAC TRUCK	90.00	270.00
4404	1	4 1/2 Top Rubber Plug	40.00	40.00
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CONSERVATION DIVISION Thank You WICHITA, KS 5.3%			Sub Total	4533.09
			SALES TAX	157.90
			ESTIMATED TOTAL	4690.99

AUTHORIZATION Called By John Ed

TITLE _____

DATE _____

Layne Energy, Inc.

06/29/08

1900 Shawnee Mission Parkway, Mission Woods, Kansas 66205 Phone: (913) 748-3987 Fax: (913) 748-3970

June 29, 2006

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

KCC
JUN 29 2006
CONFIDENTIAL

RECEIVED
KANSAS CORPORATION COMMISSION
JUN 30 2006
CONSERVATION DIVISION
WICHITA, KS

Re: Well Completion Form

To Whom It May Concern:

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

API # 15-125-30978
Osburn 7-2.

API# 15-125-30974
Scammey DC 5-34

API# 15-205-26376
Weber 7-33

API# 15-205-26401
Newby AX&P 15-29

API# 15-125-30956
Whistler 7-35

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,


Brooke C. Maxfield

Enclosures

Cc Well File
Field Office

