

CONFIDENTIAL

AMENDED

**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: M. B. Natrass

Phone: (913) 748-3987

Contractor: Name: Thorton Air

License: 33606

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>6/27/2005</u>	<u>6/29/2005</u>	<u>7/29/2005</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 125-30768 - 00 - 00

County: Montgomery

NE SW SE Sec. 2 Twp. 31 S. R. 14 East West

was: 1000 FSL is: 1002 feet from N (circle one) Line of Section

was: 1800 FWL is: 1805 feet from W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:

(circle one) NE SE NW SW

Lease Name: Schultz Well #: 15-2

Field Name: Cherokee Basin Coal Area

Producing Formation: Cherokee Coals

Elevation: Ground: 893 Kelly Bushing: _____

Total Depth: 1473' Plug Back Total Depth: 1458'

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 1469'

feet depth to Surface w/ 150 sx cmt.

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: _____

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: M. B. Natrass

Title: Agent Date: 11/28/2005

Subscribed and sworn to before me this 28th day of November

20⁰⁵

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



Operator Name: Layne Energy Operating, LLC Lease Name: Schultz Well #: 15-2
 Sec. 2 Twp. 31 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 Yes No
 (Attach Additional Sheets)

Samples Sent to Geological Survey Yes No

Cores Taken Yes No

Electric Log Run Yes No
 (Submit Copy)

List All E. Logs Run:

Compensated Density Neutron

Dual Induction

Log Formation (Top), Depth and Datum Sample

Name	Top	Datum
Pawnee Lime	887 GL	6 3/4"
Excello Shale	1013 GL	-120
V Shale	1081 GL	-188
Mineral Coal	1126 GL	-233
Mississippian	1378 GL	-485

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	1469'	Thick Set	150	

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		

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CONSERVATION DIVISION
WICHITA, KS

TUBING RECORD	Size	Set At	Packer At	Liner Run
	2 3/8"	1379'		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Date of First, Resumerd Production, SWD or Enhr.	Producing Method
10/11/2005	<input type="checkbox"/> Flowing <input checked="" 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
	0	32	85		

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)

Operator Name:	Layne Energy Operating, LLC.		
Lease Name:	Schultz 15-2		
	Sec. 2 Twp. 31S Rng. 14E, Montgomery County		
API:	15-125-30768		
Shots per Foot	Perforation Record	Acid, Fracture, Shot, Cement Squeeze Record	Depth
4	1333.5-1336.5, 1222.5-1223.5, 1196-1198, 1125.5-1127	Rowe, Bluejacket, Weir, Mineral - 1,500 15% HCL Acid, 592 bbls Water, 5092 # 20/40 Sand	1125.5-1336.5
4	10810-1083.5, 1062-1065, 1013-1017.5, 999.5-1002, 884-885	Croweberg, Beaver, Mulkey, Summit, Mulberry - 2,400 15% HCL Acid, 752 bbls Water, 7087 # 20/40 Sand	884-1083.5

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OCT 14 2005
CONSERVATION DIVISION
WICHITA, KS

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
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: Thorton Air
License: 33606
Wellsite Geologist: _____

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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>6/27/2005</u>	<u>6/29/2005</u>	<u>7/29/2005</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 125-30768-00-00
County: Montgomery
E/2 NW SE SW Sec. 2 Twp. 31 S. R. 14 East West
1000 feet from N (circle one) Line of Section
1800 feet from E / W (circle one) Line of Section
Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Schultz Well #: 15-2
Field Name: Cherokee Basin Coal Area
Producing Formation: Cherokee Coals
Elevation: Ground: 893 Kelly Bushing: _____
Total Depth: 1473' Plug Back Total Depth: 1458'
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 1469'
feet depth to Surface w/ 150 sx cmt.

Drilling Fluid Management Plan
(Data must be collected from the Reserve Pit) ALT II NHR
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: _____
Lease Name: _____ License No.: OCT 14 2005
Quarter _____ Sec. _____ Twp. _____ S. R. _____
County: _____ Docket No.: _____

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CONSERVATION DIVISION
WICHITA, KS

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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: 10/13/05
Subscribed and sworn to before me this 13th day of October
20 05
Notary Public: _____
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

Side Two

ORIGINAL

Operator Name: Layne Energy Operating, LLC

Lease Name: Schultz

Well #: 15-2

Sec. 2 Twp. 31 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	887 GL	6 3/4"
Electric Log Run <i>(Submit Copy)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Excello Shale	1013 GL	-120
List All E. Logs Run:		V Shale	1081 GL	-188
Compensated Density Neutron		Mineral Coal	1126 GL	-233
Dual Induction		Mississippian	1378 GL	-485

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OCT 13 2005
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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
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Casing	6.75	4.5	10.5	1469'	Thick Set	150	

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
___ Perforate				
___ Protect Casing				
___ Plug Back TD				
___ 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 OCT 14 2005 CONSERVATION DIVISION WICHITA, KS	

TUBING RECORD		Size	Set At	Packer At	Liner Run
		2 3/8"	1379'		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr.			Producing Method		
10/11/2005			<input type="checkbox"/> Flowing <input checked="" 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
	0	32	85		

Disposition of Gas	METHOD OF COMPLETION	Production Interval
<input type="checkbox"/> Vented <input checked="" type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	<input type="checkbox"/> Open Hole <input checked="" type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input checked="" type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____	_____

Operator Name:	Layne Energy Operating, LLC.		
Lease Name:	Schultz 15-2		
	Sec. 2 Twp. 31S Rng. 14E, Montgomery County		
API:	15-125-30768		
Shots per Foot	Perforation Record	Acid, Fracture, Shot, Cement Squeeze Record	Depth
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WICHITA, KS

GEOLOGIC REPORT

LAYNE ENERGY

Schultz 15-2

SE ¼ , SW ¼, 1,000' FSL, 1,800' FWL

Section 2-T31S-R14E

MONTGOMERY COUNTY, KANSAS

Drilled: June 27-29, 2005

Logged: June 29, 2005

A.P.I.# 15-125-30768

Ground Elevation: 893'

Depth Driller: 1,473'

Depth Logger: 1,473'

Surface Casing: 8 5/8" @ 20'

Production Casing: 4 1/2" @ 1,469'

Cemented Job: Consolidated

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

FORMATION	TOPS (in feet below ground surface)
Lansing Group.....	Surface (South Bend Limestone Member)
Lenapah Lime.....	687
Altamont Lime.....	751
Mulberry Coal.....	884
Pawnee Lime.....	887
Anna Shale.....	916
First Oswego Lime.....	970
Little Osage Shale.....	999
Excello Shale.....	1,013
Mulky Coal.....	1,017
Bevier Coal.....	1,062
"V" Shale.....	1,081
Croweburg Coal.....	1,083
Mineral Coal.....	1,126
Weir Pitt Coal.....	1,196
Bluejacket Coal.....	1,223
AW Coal.....	1,334
Riverton Coal.....	1,364
Mississippian.....	1,378

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OCT 14 2005

CONSERVATION DIVISION
WICHITA, KS

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

TIC T NUMBER 5456
 LOCATION EUREKA
 FOREMAN Kevin McCoy

TREATMENT REPORT & FIELD TICKET
 CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY																
7-1-05	4758	Shultz 15-2				MG																
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>463</td> <td>ALAN</td> <td></td> <td></td> </tr> <tr> <td>442</td> <td>CALIN</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>				TRUCK #	DRIVER	TRUCK #	DRIVER	463	ALAN			442	CALIN						
TRUCK #	DRIVER	TRUCK #					DRIVER															
463	ALAN																					
442	CALIN																					
MAILING ADDRESS <u>P.O. Box 160</u>																						
CITY <u>Sycamore</u>	STATE <u>Ks</u>	ZIP CODE																				

JOB TYPE Longstring HOLE SIZE 6 3/4 HOLE DEPTH 1473' CASING SIZE & WEIGHT 4 1/2 10.5# new
 CASING DEPTH 1469' DRILL PIPE _____ TUBING _____ OTHER P.B.T.D. 1458'
 SLURRY WEIGHT 13.2# SLURRY VOL 47 BBL WATER gal/sk 8.0 CEMENT LEFT in CASING 11'
 DISPLACEMENT 23 BBL DISPLACEMENT PSI 1100 MAX PSI 1600 Bump Plug RATE _____

REMARKS: Safety Meeting: Rig up to 4 1/2 casing. Break Circulation w/ 35 BBL fresh water. Pump 10 BBL metasilicate. Pre-Flush, 15 BBL Dye water. Mixed 150 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 with 23 BBL fresh water. FINAL Pumping Pressure 1100 PSI. Bump Plug to 1600 PSI. WAIT 2 minutes. Release Pressure. Float Held. Good Cement Returns to SURFACE = 7 BBL slurry. Job Complete. Rig down.

Note: Annulus of 4 1/2 was Bridging off while mixing & Displacing Cement. Cement CARRIED ALOT of LARGE Chunks of Shale out with it.

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION OF SERVICES or PRODUCT	UNIT PRICE	TOTAL
5401	1	PUMP CHARGE	765.00	765.00
5406	25	MILEAGE 1 st well of 2	2.50	62.50
1126A	150 SKS	Thick Set Cement	13.00	1950.00
1110A	30 SKS	Kol-Seal 10" per/sk	16.90	507.00
1111A	50 #	Metasilicate Pre flush	1.55 #	77.50
5407A	8.25 TONS	25 miles BULK TRUCK	.92	189.75
5605A	4 Hrs	welder	75.00	300.00
4311	1	4 1/2 weld on Collar	48.00	48.00
4404	1	4 1/2 Top Rubber Plug	38.00	38.00
RECEIVED KANSAS CORPORATION COMMISSION OCT 14 2005 CONSERVATION DIVISION WICHITA, KS				
			Sub total	3937.75
		Thank You	SALES TAX 5.3%	138.88
			ESTIMATED TOTAL	4076.63

AUTHORIZATION Called By John Ed TITLE _____ DATE _____
 TAP # 198137