

CONFIDENTIAL

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: 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. _____

10/14/2005 10/17/2005 12/14/2005
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

ORIGINAL

API No. 15 - 125-30862 - 00 - 00
County: Montgomery
SE SE NW Sec. 2 Twp. 33 S. R. 16 East West
2041 feet from S / (circle one) Line of Section
2276 feet from E / (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Shepherd Well #: 6-2
Field Name: Cherokee Basin Coal Area
Producing Formation: Cherokee Coals
Elevation: Ground: 747' Kelly Bushing: _____
Total Depth: 1125' Plug Back Total Depth: 1115'
Amount of Surface Pipe Set and Cemented at 39' Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set _____ Feet
If Alternate II completion, cement circulated from 1122'
feet depth to Surface w/ 120 sx cmt.

Drilling Fluid Management Plan ACT WITHIN 28-08
(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.: FEB 02 2006
Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West
County: _____ Docket No.: _____

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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: M B Natrass
Title: Agent Date: 2/1/06
Subscribed and sworn to before me this 1 day of February
20 06
Notary Public: Brooke C. Maxfield
Date Commission Expires: 12/28/09

KCC Office Use ONLY
YES 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

Operator Name: Layne Energy Operating, LLC Lease Name: Shepherd Well #: 6-2
Sec. 2 Twp. 33 S. R. 16 [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 [X] Log Formation (Top), Depth and Datum [] Sample
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
Pawnee Lime 444 GL 303
Excello Shale 595 GL 152
V Shale 644 GL 103
Mineral Coal 691 GL 56
Mississippian 1028 GL -281

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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, # Sacjs 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 2 3/8" Set At 977' Packer At Liner Run [] Yes [X] No
Date of First, Resumerd Production, SWD or Enh. 1/17/2006 Producing Method [] Flowing [X] Pumping [] Gas Lift [] Other (Explain)
Estimated Production Per 24 Hours Oil Bbbs. 0 Gas Mcf 1 Water Bbbs. 110 Gas-Oil Ratio Gravity

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

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15-125-30862-00-00

Operator Name:	Layne Energy Operating, LLC.		
Lease Name:	Shepherd 6-2		
	Sec. 2 Twp. 33S Rng. 16E, Montgomery County		
API:	15-125-30862		
Shots per Foot	Perforation Record	Acid, Fracture, Shot, Cement Squeeze Record	Depth
4	947.5-948.5, 807-813, 789.5-794.5, 690.5-592.5, 647-649	Rowe, Bluejacket, Weir, Mineral, Croweberg 7400 20/40 sand, 2450 gal 15% HCl acid, 626 bbls wtr	647-948.5
4	622-624, 595-600, 567.5-572, 472.5-473.5	Ironpost, Mulky, Summit, Lexington - 6800# 20/40 sand, 1350 gal 15% HCl acid, 570 bbls wtr	472.5-624

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GEOLOGIC REPORT

LAYNE ENERGY

Shepherd 6-2

SE¼, NW¼, 2,041' FNL, 2,276' FWL

Section 2-T33S-R16E

MONTGOMERY COUNTY, KANSAS

Drilled: October 14-17, 2005

Logged: October 17, 2005

A.P.I.# 15-125-30862 - 00 - 00

Ground Elevation: 747'

Depth Driller: 1,125'

Depth Logger: 1,127'

Surface Casing: 8 5/8" @ 39'

Production Casing: 4 1/2" @ 1,122'

Cemented Job: Consolidated

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

ORIGINAL

FORMATION.....TOPS (in feet below ground surface)

Quaternary Alluvium.....Surface

Lenapah Lime.....199

Altamont Lime.....275

Pawnee Lime.....444

Anna Shale.....462

Lexington Coal.....472

First Oswego Lime.....529

Little Osage Shale.....567

Excello Shale.....595

Mulky Coal.....600

Iron Post Coal.....622

"V" Shale.....644

Croweburg Coal.....648

Mineral Coal.....691

Weir Pitt Coal.....790

Bluejacket Coal.....813

AW Coal.....948

Riverton Coal.....1,008

Mississippian.....1,028

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15-125-30862-00-00
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MORNING COMPLETION REPORT

Report Called in by: : JES

Report taken by:

KRD

LEASE NAME & #		AFE#	DATE	DAYS	CIBP	PBTD	
SHEPHERD 6-2			10/14/05	1	DEPTH	TYPE FLUID	
PRESENT OPERATION:		DRILL OUT FROM UNDER SURFACE				WT	VIS
DEEPEST CASING	LINERS OD TOP & SHOE DEPTH	REPAIR DOWN TIME HRS		CONTRACTOR MOKAT			
OD SHOE DEPTH	8 5/8" 24# J-55 — Set 20'	TEST PERFS		RIG NO BILLY			
PACKER OR ANCHOR	FISHING TOOLS OD ID	TO		SQUEEZED OR PLUG BACK PERFS			
		TO		TO			
		TO		TO			
		TO		TO			
		TO		TO			
HRS	BRIEF DESCRIPTION OF OPERATION						
	MIRU MOKAT DRILLING, DRILLED 11" HOLE, 39' DEEP, R/H W/ 2 JT 8 5/8" SURFACE CASING. MIRU CONSOLIDATED,						
	MIXED 130 SXS THICKSET CEMENT W/ 1/4 # FLOCELE PER SK @13.8 # PER GAL., YIELD 1.68. DISPLACE W/ 1.9						
	BBL FRESH WATER. SHUT CASING IN. 3/4 BBL SLURRY TO PIT. RDMO.						

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DAILY COST ANALYSIS

RIG	_____
SUPERVISION	200
RENTALS	_____
SERVICES	3514
MISC	2400

DETAILS OF RENTALS, SERVICES, & MISC

MOKAT DRILLING @ 6.50/ft	
CONSOLIDATED	3114
DIRTWORKS (LOC, RD, PIT)	400
SURFACE CASING	400
LAND/ LEGAL	2000

DAILY TOTALS 6114 **PREVIOUS TCTD** 0 **TCTD** 6114

15-125-30862-00-00

CONSOLIDATED OIL WELL SERVICES, INC.
 P.O. BOX 884, CHANUTE, KS 66720
 20-431-9210 OR 800-467-8676

ORIGINAL/CONFIDENTIAL

TICKET NUMBER 07704
 LOCATION Eureka
 FOREMAN Brad Butler

TREATMENT REPORT & FIELD TICKET
 CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY	
10-18-05	4758	Shepard 3-2 L-2				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>441</u>	<u>Jim</u>		

JOB TYPE Longstring HOLE SIZE 6 3/4" HOLE DEPTH _____ CASING SIZE & WEIGHT 4 1/2" - 10.5 lb
 CASING DEPTH 1122' DRILL PIPE _____ TUBING _____ OTHER PBTD 1115'
 CARRY WEIGHT 13.2 lb SLURRY VOL 37 Bbls. WATER gal/sk 8.0 CEMENT LEFT in CASING 7'
 DISPLACEMENT 17 3/4 Bbls DISPLACEMENT PSI 600 ~~1100~~ Landed Plug RATE 4 BPM - 2 BPM

REMARKS: Safety Meeting: Rig up to 4 1/2" casing. Break circulation with 20 Bbls water.
Pumped 10 Bbl. Gel Flush, 10 Bbl. water Spacer, 10 Bbl. Metasilicate, 10 Bbl. Dye water.
Mixed 120 sks Thick Set cement w/ 10" P/SK of K01-SEAL at 13.2 lb P/SK.
Shut down - wash out pump & lines - Release Plug - Displace Plug with 17 3/4 Bbls water.
Final pumping at 600 PSI - Pumped Plug to 1100 PSI - wait 2 minutes - Release Pressure.
Float Held - Good cement returns to surface with 7 Bbls slurry.
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	0	MILEAGE <u>Truck In/Out</u>	3.00	M/C
1126 A	120 SKS.	Thick Set cement	13.00	1560.00
1110 A	24 SKS.	K01-SEAL 10" P/SK	16.90	405.60
1118 A	4 SKS.	Gel Flush	6.63	26.52
1111 A	50 lbs.	Metasilicate	1.55 lb	77.50
5407A	6.6 Tons	40 miles - Bulk Truck	1.00	264.00
5605 A	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
			5.32	SALES TAX
				ESTIMATED TOTAL
				114.25
				3598.87

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200312

AUTHORIZATION Called by John Ed TITLE _____ DATE _____