

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

ORIGINAL

Operator: License # 33365
Name: Layne Energy Operating, LLC
Address: 1900 Shawnee Mission Parkway
City/State/Zip: Mission Woods, KS 66205

KCC

JAN 16 2006

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>10/3/2005</u>	<u>10/5/2005</u>	<u>10/12/2005</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 125-30817-00-00

County: Montgomery

E/2 SW SE Sec. 3 Twp. 32 S. R. 14 East West

700 feet from N (circle one) Line of Section

1700 feet from W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:

(circle one) NE SE NW SW

Lease Name: Osburn Well #: 15-3

Field Name: Cherokee Basin Coal Area

Producing Formation: Cherokee Coals

Elevation: Ground: 902 Kelly Bushing: _____

Total Depth: 1538 Plug Back Total Depth: 1528

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 1535

feet depth to Surface w/ 150 sx cmt.

Drilling Fluid Management Plan ALT II WITH
(Data must be collected from the Reserve Pit) 12/6-08

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: MB Natrass

Title: Agent Date: 1/16/06

Subscribed and sworn to before me this 16 day of January

20 de

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: Osburn Well #: 15-3
 Sec. 3 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 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No (Attach Additional Sheets) 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 (Submit Copy) List All E. Logs Run: Compensated Density Neutron Dual Induction	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample <table border="0" style="width:100%"> <tr> <td style="width:60%">Name</td> <td style="width:20%">Top</td> <td style="width:20%">Datum</td> </tr> <tr> <td>Pawnee Lime</td> <td>928 GL</td> <td>-26</td> </tr> <tr> <td>Excello Shale</td> <td>1080 GL</td> <td>-178</td> </tr> <tr> <td>V Shale</td> <td>1128 GL</td> <td>-226</td> </tr> <tr> <td>Mineral Coal</td> <td>1174 GL</td> <td>-272</td> </tr> <tr> <td>Mississippian</td> <td>1437 GL</td> <td>-535</td> </tr> </table>	Name	Top	Datum	Pawnee Lime	928 GL	-26	Excello Shale	1080 GL	-178	V Shale	1128 GL	-226	Mineral Coal	1174 GL	-272	Mississippian	1437 GL	-535
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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	1535	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	RECEIVED KANSAS CORPORATION COMMISSION JAN 18 2006 CONSERVATION DIVISION WICHITA, KS	

TUBING RECORD	Size	Set At	Packer At	Liner Run
	2 3/8"	1431'		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr.	Producing Method			
11/17/2005	<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	0	100	

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

METHOD OF COMPLETION Open Hole Perf. Dually Comp. Commingled Other (Specify) _____

Production Interval _____

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Operator Name:	Layne Energy Operating, LLC.		
Lease Name:	Osburn 15-3		
	Sec. 3 Twp. 32S Rng. 14E, Montgomery County		
API:	15-125-30817		
Shots per Foot	Perforation Record	Acid, Fracture, Shot, Cement Squeeze Record	Depth
4	1389-1390, 1190-1191, 1174.5-1175.5	Rowe, Scammon A, Mineral - 3200# 20/40 sand, 1000 gal 15% HCl acid, 384 bbls wtr	1174.5-1390
4	1128.5-1130.5, 1105.5-1106.5, 1079.5-1084.5, 1056-1058.5	Croweberg, Ironpost, Mulkey, Summit - 6800# 20/40 sand, 2000 gal 15% HCl acid, 618 bbls wtr	1056-1130.5

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GEOLOGIC REPORT

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WICHITA, KS

LAYNE ENERGY

Osborn 15-3

SW ¼, SE ¼, 700' FSL, 1,700' FEL

Section 3-T32S-R14E

MONTGOMERY COUNTY, KANSAS

Drilled: October 3-5, 2005

Logged: October 5, 2005

A.P.I.# 15-125-30817

Ground Elevation: 902'

Depth Driller: 1,538'

Depth Logger: 1,538'

Surface Casing: 8 5/8" @ 21'

Production Casing: 4 1/2" @ 1,535'

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	746
Altamont Lime	796
Mulberry Coal	926
Pawnee Lime	928
Anna Shale	955
First Oswego Lime	1,024
Little Osage Shale	1,056
Excello Shale	1,080
Mulky Coal	1,084
Iron Post Coal	1,106
"V" Shale	1,128
Croweburg Coal	1,130
Mineral Coal	1,174
Scammon Coal	1,190
Tebo Coal	1,229
AW Coal	1,389
Riverton Coal	1,436
Mississippian	1,437

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MORNING COMPLETION REPORT

Report Called in by: : JES

Report taken by:

KRD

LEASE NAME & #		AFE#	DATE	DAYS	CIBP	IBTD	
OSBURN 16-3			10/3/2005	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	SQUEEZED OR PLUG BACK PERFS			
				TO	TO		
				TO	TO		
				TO	TO		
				TO	TO		
HRS	BRIEF DESCRIPTION OF OPERATION						
	MIRU MOKAT DRILLING, DRILLED 11" HOLE, 21' DEEP, RIH W/ 1 JT 8 5/8" SURFACE CASING,						
	MIXED 4 SXS TYPE 1 CEMENT, DUMPED ON THE BACKSIDE, SDFN.						

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DAILY COST ANALYSIS

RIG	_____
SUPERVISION	200
RENTALS	_____
SERVICES	400
MISC	2280

DETAILS OF RENTALS, SERVICES, & MISC

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

DAILY TOTALS 2880 **PREVIOUS TCTD** 0 **TCTD** 2880

CONSOLIDATED OIL WELL SERVICES, INC.
 P.O. BOX 884, CHANUTE, KS 66720
 320-431-9210 OR 800-467-8676

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TICKET NUMBER 07680
 LOCATION EUREKA
 FOREMAN Kevin McCoy

**TREATMENT REPORT & FIELD TICKET
 CEMENT**

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
10-6-05	4758	OSBORN 15-3				MG
CUSTOMER Layne Energy		Gus Jones Rig 2	TRUCK #	DRIVER	TRUCK #	DRIVER
MAILING ADDRESS P.O. Box 160			449	RICK		
CITY Sycamore			441	LARRY		
STATE KS			436	JASON		
ZIP CODE						

JOB TYPE Longstring HOLE SIZE 6 3/4 HOLE DEPTH 1538' CASING SIZE & WEIGHT 4 1/2 10.5# New
 CASING DEPTH 1535 DRILL PIPE _____ TUBING _____ OTHER PBD 1528
 SLURRY WEIGHT 13.2* SLURRY VOL 47 BBL WATER gal/sk 8.0 CEMENT LEFT in CASING 7'
 DISPLACEMENT 24.3 BBL DISPLACEMENT PSI 800 PSI 1300 Bump Plug RATE _____

REMARKS: Safety Meeting: Rig up to 4 1/2 casing. Break Circulation w/ 35 BBL Fresh water. Pump 4 sks Gel Flush, 5 BBL water spacer, 10 BBL Metasilicate Pre Flush, 16 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 w/ 24.3 BBL Fresh water. Final Pumping Pressure 800 PSI. Bump Plug to 1300 PSI. wait 2 minutes. Release Pressure Float Held. Good Cement Returns to SURFACE = 7 BBL Slurry - Job Complete. Rig down.

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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
1126 A	150 SKS	Thick Set Cement	13.00	1950.00
1110 A	30 SKS	KOL-SEAL 10" per/sk	16.90	507.00
1118 A	4 SKS	Gel Flush	6.63	26.52
1111 A	50*	Metasilicate Pre flush	1.55*	77.50
5407 A	8.95 TONS	40 miles BULK TRUCK	1.00	330.00
4404	1	4 1/2 Top Rubber Plug	38.00	38.00
5605 A	4 HRS	welder	75.00	300.00
4311	1	weld on Collar	48.00	48.00
5502 C	4 HRS	80 BBL VAC TRUCK	87.00	348.00
			Sub Total	4510.02
Thank you			SALES TAX 5.3%	140.29
2001/1			ESTIMATED TOTAL	4650.31

AUTHORIZATION Called By John Ed TITLE _____ DATE _____