

KCC

JAN 30 2006

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

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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: McPherson Drilling  
 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>10/14/2005</u>	<u>10/18/2005</u>	<u>10/26/2005</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

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WICHITA, KS

API No. 15 - 125-30833 - 00-00  
 County: Montgomery  
SE SE SW Sec. 26 Twp. 31 S. R. 16  East  West  
59 feet from (S) N (circle one) Line of Section  
2205 feet from (W) E (circle one) Line of Section  
 Footages Calculated from Nearest Outside Section Corner:  
 (circle one) NE SE NW SW  
 Lease Name: Eastep Well #: 14-26  
 Field Name: Jefferson-Sycamore  
 Producing Formation: Cherokee Coals  
 Elevation: Ground: 912' Kelly Bushing: \_\_\_\_\_  
 Total Depth: 1264' Plug Back Total Depth: 1246'  
 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 1253  
 feet depth to Surface w/ 135 sx cmt.

**Drilling Fluid Management Plan**  
 (Data must be collected from the Reserve Pit) *ACT II WITH 1-24-08*  
 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: 1/30/06  
 Subscribed and sworn to before me this 30 day of January  
20 ae  
 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

Operator Name: Layne Energy Operating, LLC Lease Name: Eastep Well #: 14-26  
 Sec. 26 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 <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	604 GL	308
Electric Log Run <i>(Submit Copy)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Excello Shale	749 GL	163
List All E. Logs Run:		V Shale	800 GL	112
Compensated Density Neutron		Mineral Coal	845 GL	67
Dual Induction		Mississippian	1153 GL	-241

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	1253'	Thick Set	135	

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
	See Attached		
	<b>KCC</b>		
	<b>JAN 30 2006</b>		
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		<b>WICHITA, KS</b>	

TUBING RECORD	Size <u>2 3/8"</u>	Set At <u>1181'</u>	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr.	Producing Method			
<u>11/23/2005</u>	<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. <u>0</u>	Gas Mcf <u>3</u>	Water Bbls. <u>72</u>	Gas-Oil Ratio
				Gravity

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) \_\_\_\_\_

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<b>Operator Name:</b>	Layne Energy Operating, LLC.		
<b>Lease Name:</b>	Eastep 1-23		
	Sec. 26 Twp. 31S Rng. 16E, Montgomery County		
<b>API:</b>	15-125-30833		
<b>Shots per Foot</b>	<b>Perforation Record</b>	<b>Acid, Fracture, Shot, Cement Squeeze Record</b>	<b>Depth</b>
4	1094-1095, 1084.5-1086, 966-967, 912-913	Neutral, Rowe, Weir, Tebo-4300# 20/40 sand, 1000 gal 15% HCL acid, 525 bbls wtr	912-1095
4	845-846, 801.5-804, 778-780', 748.5-754.5, 723-726.5	Mineral, Croweberg, Ironpost, Mulky, Summit-6100# 20/40 sand, 2500 gal 15% HCl acid, 573 bbls wtr	723-846

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**GEOLOGIC REPORT**

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WICHITA, KS**

**LAYNE ENERGY  
Eastep 14-26  
SE ¼, SW ¼, 59' FSL, 2,205' FWL  
Section 26-T31S-R16E  
MONTGOMERY COUNTY, KANSAS**

Drilled: October 17-18, 2005  
Logged: October 18, 2005  
A.P.I.# 15-125-30842  
Ground Elevation: 912'  
Depth Driller: 1,264'  
Depth Logger: 1,264'  
Surface Casing: 8 5/8" @ 21'  
Production Casing: 4 1/2" @ 1,264'  
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 .....	404
- Altamont Lime.....	448
Weiser Sand .....	498
Pawnee Lime .....	604
Anna Shale.....	626
First Oswego Lime .....	686
Little Osage Shale.....	723
Excello Shale .....	749
Mulky Coal .....	753
Iron Post Coal .....	778
"V" Shale .....	800
Croweburg Coal.....	803
Mineral Coal .....	845
Scammon Coal.....	861
Tebo Coal.....	912
Weir Pitt Coal .....	966
AW Coal .....	1,085
BW Coal .....	1,094
Riverton Coal.....	1,138
Mississippian .....	1,153

# CONFIDENTIAL

## MORNING COMPLETION REPORT

Report Called in by: JES

Report taken by: KRD

<b>LEASE NAME &amp; #</b>		<b>AFE#</b>	<b>DATE</b>	<b>DAYS</b>	<b>CIBP DEPTH TYPE</b>	<b>PBTD TYPE FLUID</b>
EASTEP 14-26			10/14/05	1		
<b>PRESENT OPERATION:</b>						<b>WT</b>
<b>DRILL OUT FROM UNDER SURFACE</b>						<b>VIS</b>
<b>DEEPEST CASING OD SHOE DEPTH</b>	<b>LINERS OD TOP &amp; SHOE DEPTH</b>	<b>REPAIR DOWN TIME HRS</b>		<b>CONTRACTOR MOKAT</b>		
	8 5/8" 24# J-55 — Set 20'			<b>RIG NO BILLY</b>		
<b>PACKER OR ANCHOR</b>	<b>FISHING TOOLS</b>	<b>OD</b>	<b>ID</b>	<b>TEST PERFS</b>		
				TO		SQUEEZED OR PLUG BACK PERFS
				TO		TO
				TO		TO
				TO		TO
<b>HRS</b>	<b>BRIEF DESCRIPTION OF OPERATION</b>					
	MIRU MCPHERSON DRILLING, DRILLED 11" HOLE, 21' DEEP, RIH W/ 1 JT 8 5/8" SURFACE CASING,					
	MIXED 4 SXS TYPE 1 CEMENT, DUMPED DN THE BACKSIDE, SDFN.					
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**DAILY COST ANALYSIS**

RIG	_____
SUPERVISION	<u>200</u>
RENTALS	_____
SERVICES	<u>400</u>
MISC	<u>2280</u>

**DETAILS OF RENTALS, SERVICES, & MISC**

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

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

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

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TICKET NUMBER 07737  
 LOCATION Eureka  
 FOREMAN Brad Butler

**TREATMENT REPORT & FIELD TICKET  
 CEMENT**

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY																
10-19-05	4158	Estep #14-26				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>446</td> <td>Scott</td> <td></td> <td></td> </tr> <tr> <td>441</td> <td>Justin</td> <td></td> <td></td> </tr> <tr> <td>436</td> <td>Larry</td> <td></td> <td></td> </tr> </tbody> </table>				TRUCK #	DRIVER	TRUCK #	DRIVER	446	Scott			441	Justin			436	Larry		
TRUCK #	DRIVER	TRUCK #					DRIVER															
446	Scott																					
441	Justin																					
436	Larry																					
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 1256' CASING SIZE & WEIGHT 4 1/2" - 10.5 lb  
 CASING DEPTH 1253' DRILL PIPE \_\_\_\_\_ TUBING \_\_\_\_\_ OTHER PBTO 1246'  
 CARRY WEIGHT 13 2/16 SLURRY VOL 42 Bbl WATER gal/sk 8.0 CEMENT LEFT in CASING 7'  
 DISPLACEMENT 19 3/4 Bbls. DISPLACEMENT PSI 700 ~~WATER~~ PSI 1200 Loaded Plug RATE 4 BPM - 2 BPM

REMARKS: Safety Meeting: Rig up to 4 1/2" casing; Break circulation with 25 Bbl. fresh water;  
Rumped 10 Bbl. Gel Flush, 10 Bbl. water spacer, 10 Bbl. Metasilicate, 10 Bbl. Dye water;  
Mixed 135 sks. Thick Set cement w/ 10\*P/SK of KOI-SEAL at 13 2/16 P/SK  
Shut down - wash out pumps lines - Release Plug - Displace Plug with 19 3/4 Bbls water.  
Final pumping at 700 PSI - Rumped Plug to 1200 PSI - wait 2 minutes - Release Pressure  
Float Held - Good cement returns to surface with 9 Bbl. 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	30	MILEAGE	3.00	120.00
1126A	135 SKs	Thick Set cement	13.00	1755.00
1110A	27 SKs	KOI-SEAL 10*P/SK	16.90	456.30
1118A	4 SKs	Gel Flush	6.63	26.52
1111A	50 lbs	Metasilicate - Preflush	1.55 lb	77.50
5407A	7.43 Ton	40 miles - Bulk Truck	1.00	297.20
5302C	4 Hrs	80 Bbl VAC. Truck	87.00	348.00
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
			5.3%	SALES TAX
				ESTIMATED TOTAL
				127.27
				4358.77

200383

AUTHORIZATION Called by John Ed TITLE \_\_\_\_\_ DATE \_\_\_\_\_