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**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**

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: Victor H. Dyal
Phone: (913) 748-3987
Contractor: Name: MOKAT Drilling
License: 5831

Wellsite Geologist: _____
Designate Type of Completion:
 New Well _____ Re-Entry _____ Workover
_____ Oil _____ SWD _____ SIOW _____ Ter. _____
 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>July 14, 2004</u>	<u>July 16, 2004</u>	<u>August 17, 2004</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 125-30547 - 00 - 00
County: Montgomery
SW NE _____ Sec. 36 Twp. 31 S. R. 14 East West
2009 feet from S / **(N)** (circle one) Line of Section
1965 feet from **(E)** W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Tarkowski Well #: 7-36
Field Name: Cherokee Basin Coal Gas Area
Producing Formation: Cherokee Coals
Elevation: Ground: 965 Kelly Bushing: _____
Total Depth: 1540 Plug Back Total Depth: 1531
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 1536
feet depth to Surface w/ 195 sx cmt.

Drilling Fluid Management Plan
(Data must be collected from the Reserve Pit) Alt II KJR 2/22/08
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: Victor H. Dyal
Title: Agent Date: Nov 10, 04
Subscribed and sworn to before me this 10th day of November,
20 04.
Notary Public: Margaret Allen
Date Commission Expires: _____

MARGARET ALLEN
Notary Public - State of Kansas
My Appt. 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: Tarkowski Well #: 7-36
 Sec. 36 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	934 GL	31
Electric Log Run <i>(Submit Copy)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Excello Shale	1083 GL	-118
List All E. Logs Run:		V Shale	1132 GL	-167
Compensated Density Neutron		Mineral Coal	1176 GL	-211
Dual Induction		Mississippian	1441 GL	-476

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	# Sacjs Used	Type and Percent Additives
Surface	11	8.65	24	20	Class A	4	Type 1 cement
Casing	7 7/8	5.5	15.5	1536	Thick Set	195	

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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TUBING RECORD	Size	Set At	Packer At	Liner Run	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	2 3/8	1430			
Date of First, Resumerd Production, SWD or Enhr.	Producing Method				
August 25, 2004	<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
		3.7	22		

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:	Tarkowski 7-36		
	Sec. 36 Twp. 31S Rng. 14E, Montgomery County		
API:	125-30547		
Shots per Foot	Perforation Record	Acid, Fracture, Shot, Cement Squeeze Record	Depth
4	1398.5-1401, 1281-1282, 1267-1270.5, 1260-1262.5	Rowe, Bluejacket, Sycamore Sh & Weir: 1,700G 15% HCL Acid, 713bbbls 1% KCL Water, 6773# 20/40 Sand, Balls	1260-1401
4	1188.5-1190.5, 1176-1178, 1143-1144, 1133-1134.5	Scammon A, Mineral, Fleming & Croweburg: 1150G 15% HCL Acid, 600 bbbls 1% KCL Water, 5198# 20/40 Sand, Balls	1133-1190.5
4	1109-1110.5, 1082-1087, 1059-1061, 931-932	Bevier, Mulky, Summit, Mulberry: 1275G 15% HCL Acid, 611 bbbls 1% KCL Water, 5355# 20/40 Sand, Balls	931-1110.5

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GEOLOGIC REPORT

LAYNE ENERGY
Tarkowski 7-36
SW ¼, NE ¼, 687' FSL, 1,997' FEL
Section 36-T31S-R14E
MONTGOMERY COUNTY, KANSAS

Drilled: July 14-16, 2004

Logged: July 16, 2004

A.P.I.# 15-125-30547

Ground Elevation: 965'

Depth Driller: 1,540'

Depth Logger: 1,536'

Surface Casing: 8 5/8" @ 20'

Production Casing: 5 1/2" @ 1,536'

Cemented Job: Consolidated

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

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FORMATION	TOPS (in feet below ground surface)
Douglas Group.....	Surface (Undifferentiated Tallant Member)
Lenapah Lime	750
Altamont Lime.....	796
Mulberry Coal.....	931
Pawnee Lime	934
Anna Shale.....	958
First Oswego Lime	1,028
Little Osage Shale.....	1,059
Excello Shale	1,083
Mulky Coal	1,086
Iron Post Coal	1,109
"V" Shale	1,132
Croweburg Coal.....	1,133
Mineral Coal	1,176
Weir Pitt Coal	1,260
Bluejacket Coal.....	1,282
AW Coal	1,399
Riverton Coal.....	1,434
Mississippian	1,441

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TREATMENT REPORT & FIELD TICKET
 CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
7-16-04	41758	Torkowski 7-36				Montgomery
CUSTOMER: <u>Layne Energy</u>			Faith Well Serv.			
MAILING ADDRESS: <u>P.O. Box 160</u>			TRUCK #	DRIVER	TRUCK #	DRIVER
CITY: <u>Sycamore</u> STATE: <u>KS</u> ZIP CODE: <u>66788</u>			446	Rick		
			441	Anthony		
			434	Jim		
			436	Ed		

JOB TYPE LongString HOLE SIZE 2 7/8" HOLE DEPTH 1540' CASING SIZE & WEIGHT 5 1/2" - 15.5 lb.
 CASING DEPTH 1536' DRILL PIPE _____ TUBING PRD 1531' OTHER _____
 SLURRY WEIGHT 13.2 SLURRY VOL _____ WATER gal/sk _____ CEMENT LEFT in CASING _____
 DISPLACEMENT 36.5 Bbls. DISPLACEMENT PSI _____ MIX PSI _____ RATE 3 BPM

REMARKS: Safety Meeting: Rig up to 5 1/2" casing, break circulation with fresh water, wash casing down to 1536', circulate hole clean - Pumped 120 Bbls water. Pumped 5 Bbl Metasilicate Pre flush. Pumped 25 Bbls Dry water. Mixed 195 SKS Thick Set cement w/ 10" P²/SK of KOL SEAL at 13.2 lbs P²/GAL. Shutdown - wash out pump lines - Release Plug. Displace Plug with 36 1/2 Bbls water. Final pumping at 700 PSI - Pumped Plug to 1200 PSI. Wait 2 min - Release Pressure - Float Held - close casing in with 0 PSI.
Good cement to surface with 10 Bbl slurry

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Job complete - Teardown
 "Thank you"

ACCOUNT CODE	CONSERVATION DIVISIONS WICHITA, KS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
5401	/	PUMP CHARGE	70.00	710.00
5406	0	MILEAGE (Truck In field)		N/C
1126 A	195 SKS	Thick Set Cement	11.85	2310.75
1110 A	39 SKS	KOL-SEAL 10" P ² /SK	15.75	614.25
1111 A	50 lbs.	Metasilicate Pre flush	1.40 lb.	70.00
5502 C	5 His.	80 Bbl. VAC Truck	78.00	390.00
5502 C	6 His.	80 Bbl. VAC Truck	78.00	468.00
1123	3000 GAL.	City water	11.50 P ² /1000	34.50
	3000 GAL.	Fresh water		N/C
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5605 A	5 His.	Welder	70.00	350.00
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4406	1 5 1/2	Top Rubber Plug	40.00	40.00
4312	1 5 1/2	Weld ON Collar	50.00	50.00
5407 A	10.73 Ton	25 miles	.85	228.01
			5.3 %	SALES TAX
				ESTIMATED TOTAL
				165.33
				5430.84

AUTHORIZATION 

TITLE _____ DATE 11/14/04

MORNING COMPLETION REPORT

Report Called in by: : JES

Report taken by:

Melissa T.

LEASE NAME & #	AFE#	DATE	DAYS	CIBP	PBTD
Tarkowski 7-38		07/14/04	2	DEPTH	TYPE FLUID
PRESENT OPERATION:					WT
DRILL OUT FROM UNDER SURFACE					VIS
DEEPEST CASING	LINERS OD TOP & SHOE DEPTH	REPAIR DOWN TIME HRS		CONTRACTOR	
OD SHOE DEPTH		TEST PERFS		RIG NO	
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, 20' 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	200
RENTALS	_____
SERVICES	400
MISC	2280

DETAILS OF RENTALS, SERVICES, & MISC

MOKAT DRILLING @ 8.50/ft	
MOKAT (CEMENT)	80
DIRTWORKS (LOC, RD, PIT)	400
SURFACE CASING	200
LAND/ LEGAL	2000

DAILY TOTALS 2880 PREVIOUS TCTD 55 TCTD 2935

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