

ORIGINAL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

CONFIDENTIAL

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: 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 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>July 12, 2004</u> | <u>July 14, 2004</u> | <u>August 11, 2004</u> |
| Spud Date or Recompletion Date | Date Reached TD | Completion Date or Recompletion Date |

API No. 15 - 125-30537 - 00 - 00
County: Montgomery
SW SE _____ Sec. 36 Twp. 31 S. R. 14 East West
687 feet from S W (circle one) Line of Section
1997 feet from E W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Faler Well #: 15-36
Field Name: Cherokee Basin Coal Gas Area
Producing Formation: Cherokee Coals
Elevation: Ground: 1000 Kelly Bushing: _____
Total Depth: 1570 Plug Back Total Depth: 1558
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 1566
feet depth to Surface w/ 195 sx cmt.

Drilling Fluid Management Plan
(Data must be collected from the Reserve Pit) Alt II KGR 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.: _____

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NOV 12 2004
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: Victor H. Dyal
Title: Agent Date: Nov 10, 2004
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: Faler Well #: 15-36
 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 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>(Attach Additional Sheets)</i> 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 <i>(Submit Copy)</i> 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 style="width:100%; border-collapse: collapse;"> <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>968 GL</td> <td>32</td> </tr> <tr> <td>Excello Shale</td> <td>1119 GL</td> <td>-119</td> </tr> <tr> <td>V Shale</td> <td>1166 GL</td> <td>-166</td> </tr> <tr> <td>Mineral Coal</td> <td>1210 GL</td> <td>-210</td> </tr> <tr> <td>Mississippian</td> <td>1473 GL</td> <td>-473</td> </tr> </table> | Name | Top | Datum | Pawnee Lime | 968 GL | 32 | Excello Shale | 1119 GL | -119 | V Shale | 1166 GL | -166 | Mineral Coal | 1210 GL | -210 | Mississippian | 1473 GL | -473 |
| Name | Top | Datum | | | | | | | | | | | | | | | | | |
| Pawnee Lime | 968 GL | 32 | | | | | | | | | | | | | | | | | |
| Excello Shale | 1119 GL | -119 | | | | | | | | | | | | | | | | | |
| V Shale | 1166 GL | -166 | | | | | | | | | | | | | | | | | |
| Mineral Coal | 1210 GL | -210 | | | | | | | | | | | | | | | | | |
| Mississippian | 1473 GL | -473 | | | | | | | | | | | | | | | | | |

| 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 | 1570 | 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 | RECEIVED KANSAS CORPORATION COMMISSION NOV 12 2004 CONSERVATION DIVISION WICHITA, KS | KCC NOV 10 2004 CONFIDENTIAL |

| | | | | |
|---------------|-------|--------|-----------|---|
| TUBING RECORD | Size | Set At | Packer At | Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| | 3 3/8 | 1456 | | |

| | |
|--|--|
| Date of First, Resumerd Production, SWD or Enhr. August 16, 2004 | Producing Method <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 |
| | | 10.4 | 400 | | |

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

| | | | |
|-----------------------|--|--|--------------|
| Operator Name: | Layne Energy Operating, LLC. | | |
| Lease Name: | Faler 15-36 | | |
| | Sec. 36 Twp. 31S Rng. 14E, Montgomery County | | |
| API: | 15-125-30537 | | |
| | | | |
| Shots per Foot | Perforation Record | Acid, Fracture, Shot, Cement Squeeze Record | Depth |
| 4 | 1430-32, 1388-90 | Riverton, Rowe: 700G 15% HCL Acid, 470bbls 1% KCL Water, 3623# 20/40 Sand, Balls | 1388-1432 |
| 4 | 1249-52, 1184-85, 1170-71.5 | Weir, Scammon A, Mineral: 1110G 15% HCL Acid, 570 bbls 1% KCL Water, 3624# 20/40 Sand, Balls | 1170-1252 |
| 4 | 1124-26, 1100.5-02, 1074-79.5, 1049.5-52.5 | Croweburg, Bevier, Mulky, Summit: 1725G 15% HCL Acid, 680 bbls 1% KCL Water, 5837# 20/40 Sand, Balls | 52.5-1126 |

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GEOLOGIC REPORT

LAYNE ENERGY

Faler 15-36

SW ¼, SE ¼, 687' FSL, 1,997' FEL

Section 36-T31S-R14E

MONTGOMERY COUNTY, KANSAS

Drilled: July 12-14, 2004

Logged: July 14, 2004

A.P.I.# 15-125-30537

Ground Elevation: 1,000'

Depth Driller: 1,570'

Depth Logger: 1,561'

Surface Casing: 8 5/8" @ 20'

Production Casing: 5 1/2" @ 1,566'

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..... | 779 |
| Altamont Lime..... | 827 |
| Mulberry Coal..... | 966 |
| Pawnee Lime..... | 968 |
| Anna Shale..... | 993 |
| First Oswego Lime..... | 1,061 |
| Little Osage Shale..... | 1,094 |
| Excello Shale..... | 1,119 |
| Mulky Coal..... | 1,122 |
| Iron Post Coal..... | 1,144 |
| "V" Shale..... | 1,166 |
| Croweburg Coal..... | 1,169 |
| Mineral Coal..... | 1,210 |
| Scammon Coal..... | 1,223 |
| AW Coal..... | 1,427 |
| Riverton Coal..... | 1,467 |
| Mississippian..... | 1,473 |

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

TICKET NUMBER 1357
 LOCATION Eureka
 FOREMAN Brad Butler

TREATMENT REPORT & FIELD TICKET
 CEMENT


| | | | | | | |
|---------------------------------|------------|--------------------|------------------|----------|---------|------------|
| DATE | CUSTOMER # | WELL NAME & NUMBER | SECTION | TOWNSHIP | RANGE | COUNTY |
| 7-16-04 | 4758 | Faler 15-36 | | | | Montgomery |
| CUSTOMER Layne Energy | | | Faith Well Serv. | | | |
| MAILING ADDRESS P.O. Box 160 | | | TRUCK # | DRIVER | TRUCK # | DRIVER |
| CITY Sycamore | | | 446 | Rick | | |
| STATE KS | | | 442 | Anthony | | |
| ZIP CODE | | | 434 | Jim | | |
| | | | 436 | Ed | | |

JOB TYPE Longstring HOLE SIZE 7 7/8" HOLE DEPTH 1570' CASING SIZE & WEIGHT 5 1/2" - 15.5 lb.
 CASING DEPTH 1566' DRILL PIPE P.B.T.D. 1558' OTHER _____
 SLURRY WEIGHT 13.2 SLURRY VOL 8 WATER gal/sk _____ CEMENT LEFT in CASING 8'
 DISPLACEMENT 37 Bbls. DISPLACEMENT PSI 800 MIX PSI _____ RATE 3 BPM

REMARKS: Safety Meeting: Rig up to 5 1/2" casing, break circulation with fresh water, wash casing down to 1566', circulate hole clean - Pumped 140 Bbls water, Pumped 5 Bbl. Metasilicate Pre-flush followed with 25 Bbls Dye water, Mixed 195 SKs. Thick Set Cement w/ 10 # P₂/SK of KOL-SEAL at 13.2 lbs. per GAL. Shut down - washout pump & lines - Release Plug Displace Plug with 37 Bbls. water. Final pumping at 800 PSI - Bumped Plug to 1200 PSI wait 2 min. - Release Pressure - Float Held - close casing in with 0 PSI
 Good cement returns to surface with 10 Bbl. slurry

Job complete - Teardown
 Thank you

| ACCOUNT CODE | QUANTITY or UNITS | DESCRIPTION of SERVICES or PRODUCT | UNIT PRICE | TOTAL |
|-----------------------------|-------------------|------------------------------------|----------------------------|-----------------|
| 5401 | 1 | PUMP CHARGE | 710.00 | 710.00 |
| 5406 | 25 miles | MILEAGE | 2.35 | 58.75 |
| NOV 12 2004 | | | | |
| 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 Slush | 1.40 lb. | 70.00 |
| 5502 C | 5 Hrs. | 80 Bbl. VAC Truck | 78.00 | 390.00 |
| 5502 C | 6 Hrs. | 80 Bbl. VAC Truck | 78.00 | 468.00 |
| 1123 | 3000 GALS. | City water | 11.50 P ₂ /1000 | 34.50 |
| | 3000 GALS. | Fresh water | | N/C |
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| 5605 A | 5 Hrs. | Welder | 70.00 | 350.00 |
| 4312 | 1 5 1/2" | Weld on Collar | 50.00 | 50.00 |
| 4406 | 1 5 1/2" | Top Rubber Plug | 40.00 | 40.00 |
| 5407 A | 10.73 Ton | 25 miles | .85 | 228.01 |
| | | | 5.3 % | SALES TAX |
| | | | | ESTIMATED TOTAL |
| | | | | 5489.59 |

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 |
| Faler 15-36 | | | 7/12/04 | 3 | DEPTH | TYPE FLUID |
| PRESENT OPERATION: | | | | | | WT |
| DRILL OUT FROM UNDER SURFACE | | | | | | VIS |
| DEEPEST CASING OD SHOE DEPTH | LINERS OD TOP & SHOE DEPTH | | REPAIR DOWN TIME HRS | | CONTRACTOR | |
| | | | 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 | |
| HR8 | BRIEF DESCRIPTION OF OPERATION | | | | | |
| | MIRU MCPHERSON, DRILLING, DRILLED 11" HOLE, 20' 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

| | |
|-----------------------------|------|
| MCPHERSON DRILLING @ 8.50/R | |
| MCPHERSON (CEMENT) | 80 |
| DIRTWORKS (LOC, RD, PIT) | 400 |
| SURFACE CASING | 200 |
| LAND/ LEGAL | 2000 |
| | |
| | |

DAILY TOTALS 2880 PREVIOUS TCTD 192.5 TCTD 3072.5