

**CONFIDENTIAL**

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
**WELL COMPLETION FORM**  
WELL HISTORY - DESCRIPTION OF WELL & LEASE

Form ACO-1  
September 1999  
Form Must Be Typed

**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: MOKAT Drilling  
License: 5831

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**WICHITA, KS**

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>8/23/2005</u>	<u>8/25/2005</u>	<u>9/6/2005</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 125-30828 -00-00  
County: Montgomery  
SE SW NE NE Sec. 34 Twp. 31 S. R. 16  East  West  
1118 feet from S /  (circle one) Line of Section  
794 feet from  (circle one) E / W Line of Section

Footages Calculated from Nearest Outside Section Corner:  
(circle one) NE SE NW SW  
Lease Name: Estep Well #: 1-34  
Field Name: Jefferson-Sycamore  
Producing Formation: Cherokee Coals  
Elevation: Ground: 914 Kelly Bushing: \_\_\_\_\_  
Total Depth: 1280 Plug Back Total Depth: 1266'  
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 1277  
feet depth to Surface w/ 140 sx cmt.

**Drilling Fluid Management Plan** AH II NHG 10-08  
(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: \_\_\_\_\_ **KCC**  
Lease Name: \_\_\_\_\_ **DEC 14 2005** License No.: \_\_\_\_\_  
Quarter \_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  East  West  
County: \_\_\_\_\_ **CONFIDENTIAL** 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: MBS Natrass  
Title: Agent Date: December 14, 2005  
Subscribed and sworn to before me this 14<sup>th</sup> day of December  
20 05  
Notary Public: Margaret Allen  
Date Commission Expires: 10/14/2008

**KCC Office Use ONLY**  
 Letter of Confidentiality Attached  
If Denied, Yes  Date: \_\_\_\_\_  
 Wireline Log Received  
 Geologist Report Received  
 UIC Distribution

**MARGARET ALLEN**  
Notary Public - State of Kansas  
My Appt. Expires \_\_\_\_\_

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Side Two

ORIGINAL

Operator Name: Layne Energy Operating, LLC Lease Name: Eastep Well #: 1-34
Sec. 34 Twp. 31 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 Name Top Datum
Cores Taken [ ] Yes [x] No Pawnee Lime 616 GL
Electric Log Run [x] Yes [ ] No Excello Shale 764 GL
List All E. Logs Run: V Shale 815 GL
Compensated Density Neutron Mineral Coal 860 GL
Dual Induction Mississippiian 1179 GL

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, # Sacs 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
Includes stamp: KCC DEC 14 2005 CONFIDENTIAL

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 [ ] Yes [x] No
Date of First, Resumerd Production, SWD or Enhr. 11/30/2005 Producing Method [ ] Flowing [x] Pumping [ ] Gas Lift [ ] Other (Explain)
Estimated Production Per 24 Hours Oil Bbls. 0 Gas Mcf 2.0 Water Bbls. 14.0 Gas-Oil Ratio Gravity

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

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<b>Operator Name:</b>	Layne Energy Operating, LLC.		
<b>Lease Name:</b>	Eastep 1-34		
	Sec. 34 Twp. 31S Rng. 16E, Montgomery County		
<b>API:</b>	15-125-30828		
<b>Shots per Foot</b>	<b>Perforation Record</b>	<b>Acid, Fracture, Shot, Cement Squeeze Record</b>	<b>Depth</b>
4	1159-1162, 1102-1103.5, 980-981.5, 937.5-938.5, 925-928.5	Riverton, Rowe, Bluejacket, Weir, Tebo - 6,500# 20/40 sand, 2,100 gal 15% HCl acid, 619 bbls wtr	928.5-1162
4	860-861, 816-818, 793-795, 762.5-768.5, 736-740	Mineral, Croweberg, Ironpost, Mulkey, Summit - 6700# 20/40 sand, 2600 gal 15% HCl acid, 632 bbls wtr	736-861

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MORNING COMPLETION REPORT

Report Called in by: JES

Report taken by: KRD

LEASE NAME & #		WAF#	DATE	DAYS	CIBP	PBTD	
EASTEP #1-34			8/23/2005	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-58 -- Set 20'			RIG NO BILLY			
PACKER OR ANCHOR	FISHING TOOLS	OD	ID	TEST PERFS	SQUEEZED OR PLUG BACK PERFS		
				TO	TO		
				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 ON THE BACKSIDE, SDFN.						

DAILY COST ANALYSIS

RIG	
SUPERVISION	200
RENTALS	
SERVICES	400
MISC	2280

DETAILS OF RENTALS, SERVICES, & MISC

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

DAILY TOTALS

2880

PREVIOUS TCTD

TCTD

2880

CONSOLIDATED OIL WELL SERVICES, INC.  
211 W. 14TH STREET, CHANUTE, KS 66720  
620-431-9210 OR 800-467-8876

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TICKET NUMBER 5281  
LOCATION Europe  
FOREMAN Brad Butler

TREATMENT REPORT & FIELD TICKET  
CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
8-26-05		E-Step 1-34				Montgomery
CUSTOMER Layne Energy			Gus Jones			
MAILING ADDRESS P.O. Box 160			TRUCK #	DRIVER	TRUCK #	DRIVER
CITY Sycamore			446	Scott		
STATE KS			441	Colin		
ZIP CODE			434	Jim		
			452-763	Larry		

JOB TYPE Logstring HOLE SIZE 6 7/8" HOLE DEPTH 1280' CASING SIZE & WEIGHT 4 1/2" - 10.5 lb  
 CASING DEPTH 1279' DRILL PIPE P8TD 1266' OTHER \_\_\_\_\_  
 SLURRY WEIGHT 13.2 lb SLURRY VOL 44 Bbls WATER gal/sk 8.0 CEMENT LEFT IN CASING 11'  
 DISPLACEMENT 204 Bbls DISPLACEMENT PSI 700 PSI 1200 Loaded Plug RATE 4 BPM - 2 BPM

REMARKS: Safety Meeting: Rig up to 4 1/2" casing, Break circulation with 25 Bbls water.  
Pumped 10 Bbls Gel Flush followed with 15 Bbl water spacer. Pumped 10 Bbl Metasilicate. Preflush  
followed with 10 Bbl water spacer. Mixed 140 SKS Thickset cement w/ 10 PPSK of KDI-SEAL or 13.2 lb PPSK.  
Shut down - washout pump & lines - Release Plug - Displace Plug with 204 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 returns to surface with 8 Bbl slurry  
Job complete - Tear down

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"Thank You"

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	WICHTA, KS UNIT PRICE	TOTAL
5401		PUMP CHARGE	765.00	765.00
5406	25	MILEAGE	2.50	62.50
1126A	140 SKS	Thickset cement	13.00	1820.00
1110 A	28 SKS	KDI-SEAL 10" PPSK	16.90	473.20
1111 A	50 lbs	Metasilicate - Preflush	1.55 lb	77.50
1118 A	4 SKS	Gel Flush	6.63	26.52
5407A	7.7 Ton	25 miles - Bulk Truck	.92	177.10
5502C	3 Hrs	80 Bbl VAC Truck	82.00	246.00
5501C	4 Hrs	Water Transport	88.00	352.00
1123	6300 Gal	City water	12.20	76.86
5605A	4 Hrs	Welder	75.00	300.00
4404	1	4 1/2" Top Rubber Plug	38.00	38.00
				122.10

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**GEOLOGIC REPORT**

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WICHITA, KS**

**LAYNE ENERGY**

**Eastepp 1-34**

**NE ¼, NE ¼, 1,118' FNL, 794' FEL**

**Section 34-T31S-R16E**

**MONTGOMERY COUNTY, KANSAS**

Drilled: August 23, 2005

Logged: August 25, 2005

A.P.I.# 15-125-30828

Ground Elevation: 914'

Depth Driller: 1,280'

Depth Logger: 1,281'

Surface Casing: 8 5/8" @ 20'

Production Casing: 4 1/2" @ 1,277'

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 .....414

Altamont Lime.....457

Pawnee Lime .....616

Anna Shale.....639

First Oswego Lime .....699

Little Osage Shale.....737

Excello Shale .....764

Mulky Coal .....768

Iron Post Coal .....793

"V" Shale .....815

Croweburg Coal.....817

Mineral Coal .....860

Tebo Coal.....928

Weir Pitt Coal .....938

Bluejacket Coal.....980

AW Coal .....1,102

Riverton Coal.....1,159

Mississippian .....1,179