

KCC  
NOV 08 2005  
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

ORIGINAL

CONFIDENTIAL

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  
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.

7/22/2005	7/26/2005	8/18/2005
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 205-26074-00-00  
County: Montgomery  
SW NE Sec. 36 Twp. 30 S. R. 14  East  West  
2000 feet from S / (N) (circle one) Line of Section  
2000 feet from (E) W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:  
(circle one) NE SE NW SW  
Lease Name: Gorton Well #: 7-36  
Field Name: Cherokee Basin Coal  
Producing Formation: Cherokee Coals  
Elevation: Ground: 933' Kelly Bushing:  
Total Depth: 1480' Plug Back Total Depth: 1465'  
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 1476'  
feet depth to Surface w/ 150 sx cmt.

Drilling Fluid Management Plan *Att II NH 6-13-08*  
(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: **RECEIVED**  
Lease Name: License **NOV 09 2005**  
Quarter Sec. Twp. S. R. East West  
County: Docket No. **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: *M.B. Natrass*  
Title: Agent Date: November 8, 2005  
Subscribed and sworn to before me this 8<sup>th</sup> day of November 20 2005.  
Notary Public: *Mr. [Signature]*  
Date Commission Expires: 10/14/2008

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

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Side Two

KCC ORIGINAL  
NOV 08 2005

Operator Name: Layne Energy Operating, LLC

Lease Name: Gorton Well #: 7-36

Sec. 36 Twp. 30 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	887 GL	46
Electric Log Run <i>(Submit Copy)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Excello Shale	1006 GL	-73
List All E. Logs Run:		V Shale	1074 GL	-141
Compensated Density Neutron		Mineral Coal	1119 GL	-186
Dual Induction		Mississippian	1395 GL	-462

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	20'	Class A	4	Type 1 cement
Casing	6.75	4.5	10.5	1476'	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	<b>RECEIVED</b> KANSAS CORPORATION COMMISSION NOV 09 2005 CONSERVATION DIVISION WICHITA, KS	

TUBING RECORD		Size	Set At	Packer At	Liner Run	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		2 3/8"	1393'			
Date of First, Resumerd Production, SWD or Enhr.			Producing Method			
SI - Waiting on production			<input type="checkbox"/> Flowing	<input 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	

Disposition of Gas      METHOD OF COMPLETION      Production Interval

Vented    Solid    Used on Lease       Open Hole    Perf.    Dually Comp.    Commingled

*(If vented, Submit ACO-18.)*       Other (Specify) \_\_\_\_\_

<b>Operator Name:</b>	Layne Energy Operating, LLC.		
<b>Lease Name:</b>	Gorton 7-36		
	Sec. 36 Twp. 30S Rng. 14E, Montgomery County		
<b>API:</b>	15-205-26074		
<b>Shots per Foot</b>	<b>Perforation Record</b>	<b>Acid, Fracture, Shot, Cement Squeeze Record</b>	<b>Depth</b>
4	1366.5-1367.5, 1327.5-1328.5, 1175.5-1181.5, 1119-1120	Riverton, Rowe, Tebo, Mineral - 1,500 15% HCL Acid, 530 bbls Water, 5,200 # 20/40 Sand	1119-1367.5
4	1055.5-1058.5, 1005.5-1009.5, 988.5-991.5, 884-885	Bevier, Mulkey, Summit, Mulberry - 2,500 15% HCL Acid, 665 bbls Water, 9,000 # 20/40 Sand	884-1058.5

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**WICHITA, KS**

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WICHITA, KS

# GEOLOGIC REPORT

LAYNE ENERGY

Gorton 7-36

SW 1/4, NE 1/4, 2,000' FNL, 2,000' FEL

Section 36-T30S-R14E

WILSON COUNTY, KANSAS

Drilled: July 22-26, 2005

Logged: July 26, 2005

A.P.I.# 15-205-26074

Ground Elevation: 933'

Depth Driller: 1,480'

Depth Logger: 1,480'

Surface Casing: 8 5/8" @ 20'

Production Casing: 4 1/2" @ 1,476'

Cemented Job: Consolidated

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

**FORMATION ..... TOPS (in feet below ground surface)**

Douglas Group .....	Surface (Stranger Formation)
Lenapah Lime .....	708
Altamont Lime .....	749
Weiser Sand .....	771
Mulberry Coal .....	884
Pawnee Lime .....	887
Anna Shale .....	913
First Oswego Lime .....	963
Little Osage Shale .....	989
Excello Shale .....	1,006
Mulky Coal .....	1,010
Bevier Coal .....	1,056
"V" Shale .....	1,074
Croweburg Coal .....	1,077
Mineral Coal .....	1,119
Tebo Coal .....	1,181
AW Coal .....	1,328
Riverton Coal .....	1,367
Mississippian .....	1,395

MORNING COMPLETION REPORT

Report Called in by: JES

Report taken by:

KRD

LEASE NAME & #		AFES	DATE	DAYS	CIBP	PBTD	
GORTON #7-36		G01020700100	7/22/05	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	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 ON THE BACKSIDE, SDFN.						

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 WICHITA, KS

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 800-467-8676

TICKET NUMBER 5583  
 LOCATION Eureka  
 FOREMAN Troy Strickler

TREATMENT REPORT & FIELD TICKET  
 CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
7-26-05	4758	Gorton #7-36				Wilson
CUSTOMER			Gms Jones			
MAILING ADDRESS			TRUCK #	DRIVER	TRUCK #	DRIVER
Layne Energy			463	Alan		
P.O. Box 160			441	Justin		
CITY	STATE	ZIP CODE	436	Jason		
Sycamore	Ks		452/T63	Jim		

JOB TYPE Longstring HOLE SIZE 6 3/4 HOLE DEPTH 1480' CASING SIZE & WEIGHT 4 1/2 - 10.5 #  
 CASING DEPTH 1476 DRILL PIPE \_\_\_\_\_ TUBING \_\_\_\_\_ OTHER \_\_\_\_\_  
 SLURRY WEIGHT 13.2 SLURRY VOL 45.1 Bbl WATER gal/sk 8° CEMENT LEFT in CASING 0'  
 DISPLACEMENT 23.3 Bbl DISPLACEMENT PSI 700 PSI Bump Plug 1200 PSI RATE \_\_\_\_\_

REMARKS: Safety Meeting: Rig up to 4 1/2 Casing. Break Circulation w/ 50 Bbl Fresh Water. Pump 10 Bbl Gel Flush, 5 Bbl Spacer, 10 Bbl Metasilicate Pre-Flush, 13 Bbl Dye water. Mixed 150 sks Thickset Cement w/ 10 # Kol-Seal Per/sk @ 13.2 # Per/sk Shut down. Wash out Pump + lines, Released Plug. displaced w/ 23.3 Bbl Fresh Water. Final Pump pressure 700 PSI. Bump Plug to 1200 PSI. Wait 2 min. Released Pressure. Float held. Good Cement Returns to Surface = 8 Bbl Slurry to Pit. Job Complete, Rig down.

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
5401	1	PUMP CHARGE	765.00	765.00
5406	25	MILEAGE	2.50	62.50
1126 A	150 sks	Thickset Cement	13.00	1950.00
1110 A	30 sks	Kol-Seal 10 # Per/sk	16.90	507.00
1111 A	50 lbs	Metasilicate - Pre-Flush	1.55 #	77.50
1118 A	4 sks	Gel-Flush	6.63	26.52
5407 A	8.25 ton	Ton-Mileage Bulk Truck	.92	189.75
5501 C	4 hrs.	Transport	88.00 Per/hr.	352.00
5502 C	4 hrs.	80 Bbl Vacuum Truck	82.00 Per/hr.	328.00
1123	6000 gal	City Water	12.20 Per/1000	73.20
5605 A	4 hrs	Welder	75.00 Per/hr.	300.00
4404	1	4 1/2" Top Rubber Plug	38.00	38.00
			Sub Total	4669.47
			SALES TAX	168.34
			ESTIMATED TOTAL	4837.81

AUTHORIZATION Called by John Ed TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
 1981089