

CONFIDENTIAL

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

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APR 19 2006

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: 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. \_\_\_\_\_

12/20/2005 12/21/2005 1/26/2006  
Spud Date or Recompletion Date Date Reached TD Completion Date or Recompletion Date

API No. 15 - 125-30911  
County: Montgomery  
\_\_\_\_\_ SW \_\_\_\_\_ SE \_\_\_\_\_ SW Sec. 31 Twp. 31 S. R. 17  East  West  
406 feet from  N (circle one) Line of Section  
1667 feet from E /  W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:  
(circle one) NE SE NW SW  
Lease Name: Cotterill Well #: 14-31  
Field Name: Neodesha  
Producing Formation: Cherokee Coals  
Elevation: Ground: 849' Kelly Bushing: \_\_\_\_\_  
Total Depth: 1144' Plug Back Total Depth: 1134'  
Amount of Surface Pipe Set and Cemented at 21.5' Feet  
Multiple Stage Cementing Collar Used?  Yes  No  
If yes, show depth set \_\_\_\_\_ Feet  
If Alternate II completion, cement circulated from 1141'  
feet depth to Surface w/ 120 sx cmt.

Drilling Fluid Management Plan AIR DRILL 6-5-08  
(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: \_\_\_\_\_  
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: 4/19/06  
Subscribed and sworn to before me this 18th day of April  
2006  
Notary Public: Brooke C. Maxfield

**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 Comm. Exp. 12/28/09

Operator Name: Layne Energy Operating, LLC Lease Name: Cotterill Well #: 14-31  
 Sec. 31 Twp. 31 S. R. 17  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  No  
 (Attach Additional Sheets)

Samples Sent to Geological Survey  Yes  No

Cores Taken  Yes  No

Electric Log Run  Yes  No  
 (Submit Copy)

List All E. Logs Run:

Compensated Density Neutron  
 Dual Induction

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Log Formation (Top), Depth and Datum  Sample

Name	Top	Datum
Pawnee Lime	487 GL	362
Excello Shale	628 GL	221
V Shale	679 GL	170
Mineral Coal	720 GL	129
Mississippian	1044 GL	-195

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	21.5'	Class A	4	Type 1 cement
Casing	6.75	4.5	10.5	1141'	Thick Set	120	

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
		2 3/8"	1014'		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr.		Producing Method			
4/10/2006		<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
	0	5	33		

Disposition of Gas  Vented  Sold  Used on Lease  Open Hole  Perf.  Dually Comp.  Commingled  
 (If vented, Submit ACO-18.)  Other (Specify) \_\_\_\_\_

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CONSERVATION DIVISION  
WICHITA, KS

<b>Operator Name:</b>	Layne Energy Operating, LLC.		
<b>Lease Name:</b>	Cotterill 14-31		
	Sec. 31 Twp. 31S Rng. 17E, Montgomery County		
<b>API:</b>	15-125-30911		
<b>Shots per Foot</b>	<b>Perforation Record</b>	<b>Acid, Fracture, Shot, Cement Squeeze Record</b>	<b>Depth</b>
4	913.5-917, 875.5-876.5, 835-836, 798-805.5	Bluejacket, Weir, Tebo, Mineral-5300# 20/40, 1600 gal 15% HCl acid, 501 bbls wtr	798-917
4	679-682, 658-659.5, 628-632.5, 601-603.5	Croweberg, Ironpost, Mulky, Summit-5600# 20/40 sand, 2000 gal 15% HCl, 501 bbls wtr	601-682

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**GEOLOGIC REPORT**

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LAYNE ENERGY

Cotterill 14-31

CONSERVATION DIVISION  
WICHITA, KS

SE ¼ , SW ¼, 406' FSL, 1,667' FWL

Section 31-T31S-R17E

MONTGOMERY COUNTY, KANSAS

Drilled: December 19-21, 2005

Logged: December 22, 2005

A.P.I.# 15-125-30911

Ground Elevation: 849'

Depth Driller: 1,144'

Depth Logger: 1,140'

Surface Casing: 8 5/8" @ 20'

Production Casing: 4 1/2" @ 1,141'

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 (Drum Limestone Formation)

Lenapah Lime .....290

Altamont Lime.....333

Pawnee Lime .....487

Anna Shale.....514

Lexington Coal .....519

First Oswego Lime .....567

Little Osage Shale.....601

Excello Shale .....628

Mulky Coal .....631

Iron Post Coal .....658

"V" Shale .....679

Croweburg Coal.....681

Mineral Coal .....720

Bluejacket Coal.....865

AW Coal .....969

Riverton Coal.....1,038

Mississippian .....1,044

MORNING COMPLETION REPORT

Report Called in by: : JOHN ED

Report taken by: KRD

LEASE NAME & #	AFE#	DATE	DAYS	CIBP	PBTD
COTTERILL 14-31		12/20/2005	1	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	SQUEEZED OR PLUG BACK PERFS	
				TO	
				TO	
				TO	
				TO	
HRS	BRIEF DESCRIPTION OF OPERATION				
	MIRU MCPHERSON, DRILLED 11" HOLE, 21.5' DEEP, RIH W/ 1 JT 8 5/8" SURFACE CASING.				
	MIXED 4 SKS TYPE 1 CEMENT, DUMPED DOWN 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 @ 6.50/ft	
MCPHERSON (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.  
 P.O. BOX 884, CHANUTE, KS 66720  
 316-220-4310 OR 800-467-8676

KCC  
 APR 18 2006

TICKET NUMBER 08037  
 LOCATION EUREKA  
 FOREMAN KEVIN MCCOY

TREATMENT REPORT & FIELD TICKET  
 CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY																
12-23-05	4758	Cotarell 14-31				MG																
CUSTOMER Layne Energy			<table border="1"> <thead> <tr> <th>TRUCK #</th> <th>DRIVER</th> <th>TRUCK #</th> <th>DRIVER</th> </tr> </thead> <tbody> <tr> <td>445</td> <td>RICK L</td> <td></td> <td></td> </tr> <tr> <td>441</td> <td>JUSTIN</td> <td></td> <td></td> </tr> <tr> <td>437</td> <td>LARRY</td> <td></td> <td></td> </tr> </tbody> </table>				TRUCK #	DRIVER	TRUCK #	DRIVER	445	RICK L			441	JUSTIN			437	LARRY		
TRUCK #	DRIVER	TRUCK #					DRIVER															
445	RICK L																					
441	JUSTIN																					
437	LARRY																					
MAILING ADDRESS P.O. Box 160																						
CITY Sycamore																						
STATE KS																						
ZIP CODE																						

JOB TYPE Longstring HOLE SIZE 6 3/4 HOLE DEPTH 1144 CASING SIZE & WEIGHT 4 1/2 10.5\* NEW  
 CASING DEPTH 1141 DRILL PIPE \_\_\_\_\_ TUBING \_\_\_\_\_ OTHER PATD 1134  
 SLURRY WEIGHT 13.2\* SLURRY VOL 38 BBL WATER gal/sk 8.0 CEMENT LEFT in CASING 7'  
 DISPLACEMENT 18 BBL DISPLACEMENT PSI 500 PSI 1000 Bump Plug RATE \_\_\_\_\_

REMARKS: Safety Meeting: Rig up to 4 1/2 casing. BREAK CIRCULATION w/ 25 BBL Fresh water. Pump 4 sks Gel Flush, 5 BBL water spacer, 10 BBL Metasilicate Pre Flush, 10 BBL Dye water. Mixed 120 sks Thick Set Cement w/ 10\* Kol-Seal per/sk @ 13.2\* per/gal, yield 1.75. Wash out Pump & Lines. Shut down. Release Plug. Displace w/ 18 BBL Fresh water. Final Pumping Pressure 500 psi. Bump Plug to 1000 psi. Wait 2 minutes. Release Pressure. Float Held. Good Cement Returns to SURFACE = 8 BBL Slurry. Job Complete. Rig down.

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
5401	1	PUMP CHARGE	800.00	800.00
5406	40	MILEAGE <u>1<sup>st</sup> WELL OF 3</u>	3.15	126.00
1126 A	120 SKS	Thick Set Cement	13.65	1638.00
1110 A	24 SKS	Kol-Seal 10* per/sk	17.75	426.00
1118 A	4 SKS	Gel Flush	7.00	28.00
1111 A	50*	Metasilicate Pre Flush	1.65*	82.50
5407 A	6.6 TONS	40 miles Bulk Truck	1.05	277.20
5502 C	3 HRS	80 BBL VAG TRUCK	90.00	270.00
1123	3000 gals	City water	12.80 <sup>per m.</sup>	38.40
4404	1	4 1/2 Top Rubber Plug	40.00	40.00
4311	1	4 1/2 weld on collar	50.00	50.00
5605 A	4 HRS	Welder	78.00	312.00
			Sub Total	4088.10
		Thank You	SALES TAX	132.05
		201695	ESTIMATED TOTAL	4220.15

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