

CONFIDENTIAL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL

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: McPherson Drilling
License: 5675

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>4/25/2006</u>	<u>4/27/2006</u>	<u>6/12/2006</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 125-31002 ~~4000~~
County: Montgomery
____ NE NE Sec. 3 Twp. 33 S. R. 16 East West
660 feet from S / (circle one) Line of Section
660 feet from W (circle one) Line of Section

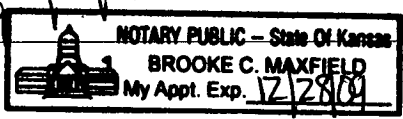
Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Mitchell Well #: 1-3
Field Name: Coffeyville - Cherryvale
Producing Formation: Cherokee Coals
Elevation: Ground: 764 Kelly Bushing: _____
Total Depth: 1105 Plug Back Total Depth: 1097
Amount of Surface Pipe 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 1097
feet depth to Surface w/ 115 sx cmt.

Drilling Fluid Management Plan ATTN: NH 8-27-08
(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: [Signature]
Title: Agent Date: 8/22/06
Subscribed and sworn to before me this 22 day of August
2006
Notary Public: [Signature]
Date Commission Expires: 12/28/09



KCC Office Use ONLY

Letter of Confidentiality Attached
If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution

RECEIVED
KANSAS CORPORATION COMMISSION
AUG 24 2006

CONSERVATION DIVISION
WICHITA, KS

Operator Name: Layne Energy Operating, LLC Lease Name: Mitchell Well #: 1-3
 Sec. 3 Twp. 33 S. R. 16 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	Excello Shale	558 GL	206
Electric Log Run <i>(Submit Copy)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	V Shale	608 GL	156
List All E. Logs Run:		Mineral Coal	651 GL	1134'
Compensated Density Neutron		Mississippian	984 GL	-220
Dual Induction				

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	21.5'	Class A	4	Type 1 cement
Casing	6.75	4.5	10.5	1097'	Thick Set	115	

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 <i>(Amount and Kind of Material Used)</i>	Depth
	See Attached		

TUBING RECORD	Size Set At	Packer At	Liner Run
	2 3/8" 950'		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr.	Producing Method		
SI-Waiting on pipeline	<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

Disposition of Gas	METHOD OF COMPLETION	Production Interval
<input type="checkbox"/> Vented <input 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)	

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CONSERVATION DIVISION
WICHITA, KS

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Operator Name: Layne Energy Operating, LLC.
Lease Name: Mitchell 1-3
Sec. 3 Twp. 33S Rng. 16E, Montgomery County
API: 15-125-31002

Shots per Foot	Perforation Record	Acid, Fracture, Shot, Cement Squeeze Record	Depth
4	909-911, 761-764.5, 738-742.5, 650.5-652.5	Rowe, Bluejacket, Weir, Mineral-4900# 20/40 sand, 1150 gal 15% HCl acid, 508 bbls wtr	911-650.5
4	608-610.5, 583-584.5, 557.5-562.5, 529.5-532.5	Croweburg, Ironpost, Mulky, Summit-6700# 20/40 sand, 950 gal 15% HCl acid, 585 bbls wtr	610.5-529.5
4	429.5-431, 424-426.5	Lexington, Anna Shale-3200# 20/40 sand, 700 gal 15% HCl acid, 303 bbls wtr	431-426.5

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GEOLOGIC REPORT

LAYNE ENERGY
Mitchell 1-3
NE NE, 660 FNL, 660 FEL
Section 3-T33S-R16E
Montgomery County, KS

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Spud Date: 4/25/2006
Drilling Completed: 4/27/2006
Logged: 4/27/2006
A.P.I. #: 1512531002
Ground Elevation: 764'
Depth Driller: 1105'
Depth Logger: 1107'
Surface Casing: 8.625 inches at 21.5'
Production Casing: 4.5 inches at 1097.2'
Cemented Job: Consolidated
Open Hole Logs: Dual Induction SFL/GR, High Resolution
Compensated Density/Neutron

Formation

Coffeyville Group
Pawnee Limestone
Excello Shale
"V" Shale
Mineral Coal
Mississippian

Tops (in feet below ground level)

Surface (Galesburg Shale)

558
608
651
984

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WICHITA, KS

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CONSOLIDATED OIL WELL SERVICES, INC.
P.O. BOX 884, CHANUTE, KS 66720
620-431-9210 OR 800-467-8676

TICKET NUMBER 09852
LOCATION EUREKA
FOREMAN Kevin McCoy

TREATMENT REPORT & FIELD TICKET
CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY	
4-27-06	4758	Mitchell 1-3				MG	
CUSTOMER <u>Layne Energy</u>		Gus Jones Rig 2		TRUCK #	DRIVER	TRUCK #	DRIVER
MAILING ADDRESS <u>P.O. Box 160</u>				<u>445</u>	<u>RICK L.</u>		
CITY <u>Sycamore</u>		STATE <u>Ks</u>	ZIP CODE	<u>439</u>	<u>Justin</u>		

JOB TYPE Longstring HOLE SIZE 6 3/4 HOLE DEPTH 1105' CASING SIZE & WEIGHT 4 1/2 10.5* new
 CASING DEPTH 1097' DRILL PIPE _____ TUBING _____ OTHER _____
 SLURRY WEIGHT 13.2 # SLURRY VOL 36 BBL WATER gal/sk 8.0 CEMENT LEFT in CASING 0'
 DISPLACEMENT 17.4 BBL DISPLACEMENT PSI 500 ~~PSI 1000~~ RATE _____

REMARKS: Safety Meeting: Rig up to 4 1/2 casing. BREAK CIRCULATION w/ 20 BBL Fresh water. Pump 4 sks Gel Flush, 5 BBL water spacer, 10 BBL Metasilicate Pre Flush, 10 BBL Dye water. Mixed 115 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/ 17.4 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 = 7 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	0	MILEAGE 2 nd well of 3	0	0
1126 A	115 sks	Thick Set Cement	14.65	1684.75
1110 A	1150 *	Kol-Seal 10 * per/sk	.36 *	414.00
1118 A	200 *	Gel Flush	.14 *	28.00
1111 A	50 *	Metasilicate Pre Flush	1.65 *	82.50
5407 A	6.32 Tons	40 miles BULK TRUCK	1.05	265.44
4404	1	4 1/2 Top Rubber Plug	40.00	40.00
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			Sub Total	3314.69
		Thank You	SALES TAX 5.3%	119.20
			ESTIMATED TOTAL	3433.89

AUTHORIZATION Called By John Ed TITLE _____ DATE _____

204966

08/22/08

Layne Energy, Inc.

1900 Shawnee Mission Parkway, Mission Woods, Kansas 66205 Phone: (913) 748-3987 Fax: (913) 748-3970

August 22, 2006

Kansas Corporation Commission
Oil & Gas Conservation Division
130 S. Market, Room 2078
Wichita, KS 67202

KCC
AUG 22 2006
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Re: Well Completion Form

To Whom It May Concern:

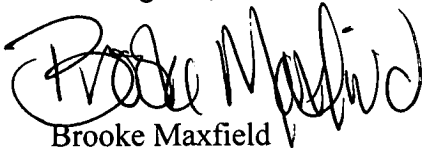
I have enclosed the ACO-1 form and associated data for the following wells:

API # 15-125-31002
Mitchell 1-3

We respectfully request that all information submitted be kept confidential and per provision E-4 of K.A. R. 82-3-107, we request that the term of the confidentiality be extended by one year.

If you need additional information or have any questions or comments, please contact me at (913) 748-3987.

Best regards,



Brooke Maxfield

Enclosures

Cc Well File
Field Office

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CONSERVATION DIVISION
WICHITA, KS

