

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

KCC

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: \_\_\_\_\_

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KANSAS CORPORATION COMMISSION  
AUG 18 2006  
CONSERVATION DIVISION  
WICHITA, KS

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. \_\_\_\_\_

4/21/06      4/25/06      6/6/06  
Spud Date or      Date Reached TD      Completion Date or  
Recompletion Date           Recompletion Date

API No. 15 - 205-264271-0000      AUG 17 2006  
County: Wilson      **CONFIDENTIAL**  
SW NW Sec. 23 Twp. 30 S. R. 16  East  West  
2416 feet from S /  (circle one) Line of Section  
398 feet from E /  (circle one) Line of Section  
Footages Calculated from Nearest Outside Section Corner:  
(circle one) NE SE NW SW  
Lease Name: Katzer      Well #: 5-23  
Field Name: Neodesha  
Producing Formation: Cherokee Coals  
Elevation: Ground: 845      Kelly Bushing: \_\_\_\_\_  
Total Depth: 1145      Plug Back Total Depth: 1138.7  
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 1138.7  
feet depth to Surface w/ 120 sx cmt.

Drilling Fluid Management Plan Alt II 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: MB Natrass  
Title: Agent      Date: 8/17/2006  
Subscribed and sworn to before me this 17<sup>th</sup> day of August,  
20 06.  
Notary Public: Margaret Allen  
Date Commission Expires: \_\_\_\_\_

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

**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: Katzer Well #: 5-23 AUG 17 2006  
 Sec. 23 Twp. 30 S. R. 16  East  West County: Wilson **CONFIDENTIAL**

**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	533 GL	312
Electric Log Run <i>(Submit Copy)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Excello Shale	656 GL	189
List All E. Logs Run:		V Shale	714 GL	131
Compensated Density Neutron		Mineral Coal	749 GL	96
Dual Induction		Mississippian	1,050 GL	-205

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	1138.7'	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 <i>(Amount and Kind of Material Used)</i>	Depth
	See Attached	<b>RECEIVED</b> <b>KANSAS CORPORATION COMMISSION</b> <b>AUG 18 2006</b> <b>CONSERVATION DIVISION</b> <b>WICHITA, KS</b>	

TUBING RECORD	Size <u>2 3/8"</u>	Set At <u>892'</u>	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr.	Producing Method <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)			
<u>7/31/06</u>				
Estimated Production Per 24 Hours	Oil Bbls. <u>0</u>	Gas Mcf <u>3.0</u>	Water Bbls. <u>50</u>	Gas-Oil Ratio
				Gravity

Disposition of Gas	METHOD OF COMPLETION	Production Interval
<input type="checkbox"/> Vented <input checked="" 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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<b>Operator Name:</b>	Layne Energy Operating, LLC.		
<b>Lease Name:</b>	Katzer 5-23		
	Sec. 23 Twp. 30S Rng. 16E, Montgomery County		
<b>API:</b>	15-205-26727		
<b>Shots per Foot</b>	<b>Perforation Record</b>	<b>Acid, Fracture, Shot, Cement Squeeze Record</b>	<b>Depth</b>
4	864-865.5, 749-750, 714-716,	Weir, Mineral, Croweburg-ATP 1018, 15 min 417, 3800# 20/40 sand, 500 gal 15% HCl acid, 368 bbls wtr	714-865.5
4	693.5-695, 655.5-661, 639-641.5	Bevier, Mulky, Summit-ATP 730, 15 min 353, 5700# 20/40 sand, 1000 gal 15% HCl acid, 458 bbls wtr	639-695

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**WICHITA, KS**

**GEOLOGIC REPORT**

LAYNE ENERGY  
Katzner 5-23  
SW NW, 2416 FNL, 398 FWL  
Section 23-T30S-R16E  
Wilson County, KS

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Spud Date: 4/24/2006  
Drilling Completed: 4/25/2006  
Logged: 4/25/2006  
A.P.I. #: 1520526427  
Ground Elevation: 845'  
Depth Driller: 1145'  
Depth Logger: 1145'  
Surface Casing: 8.625 inches at 21'  
Production Casing: 4.5 inches at 1138.7'  
Cemented Job: 0  
Open Hole Logs: Dual Induction SFL/GR, High Resolution  
Compensated Density/Neutron

**Formation**

Kansas City Group  
Pawnee Limestone  
Excello Shale  
"V" Shale  
Mineral Coal  
Mississippian

**Tops (in feet below ground level)**

Surface (Chanute Shale)  
533  
656  
714  
749  
1,050

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WICHITA, KS



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

KCC  
 AUG 17 2006  
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TICKET NUMBER 09810  
 LOCATION Eureka  
 FOREMAN Tray Strickler

TREATMENT REPORT & FIELD TICKET  
 CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
4-25-06	4758	Katzer S-23				Wilson
CUSTOMER <u>Layne Energy</u>			TRUCK # DRIVER TRUCK # DRIVER			
MAILING ADDRESS <u>P.O. Box 160</u>			463 Aln			
CITY STATE ZIP CODE <u>Sycamore KS</u>			441 Larry			
			436 John			

JOB TYPE Long string HOLE SIZE 6 3/4 HOLE DEPTH 1145' CASING SIZE & WEIGHT 4 1/2" Casing  
 CASING DEPTH 1139' DRILL PIPE \_\_\_\_\_ TUBING \_\_\_\_\_ OTHER \_\_\_\_\_  
 SLURRY WEIGHT 13.2" SLURRY VOL 388bl WATER gal/sk 8" CEMENT LEFT in CASING 0'  
 DISPLACEMENT 188bl DISPLACEMENT PSI 700 MIX PSI 1200 Bump Pk RATE \_\_\_\_\_

REMARKS: Safety Meeting: Rig up to 4 1/2" casing. Break Circulation  
w/ 25Bbl Fresh Water. Pump 15Bbl Gel-Flush, 5Bbl Water spacer,  
10Bbl Metasilicate Pre-Flush, Mixed 120 sks Thick Set Cement  
w/ 10" Perf Kol-Seal @ 13.2" Perf. Wash out Pump + lines. Shut down.  
Release Plug. Displaced w/ 188bl water. Final Pump Pressure 700 PSI  
Bump Plug to 1200 PSI. Wait 2 min Release Pressure. Float Held.  
Good Cement Returns to surface = 78bl slurry to Pit.

Job Complete

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
5401	1	PUMP CHARGE	800.00	800.00
5406	40	MILEAGE 2nd Well of 3	3.15	<del>126.00</del>
1126A	120sks	Thick Set Cement	14.65	1758.00
1110A	1200 #	Kol-Seal 10" Perf/sk	.36"	432.00
1118A	200 #	Gel-Flush	.14"	28.00
1111A	50 #	Metasilicate Pre-Flush	1.65 #	82.50
5407A	6.6 Ton	Ton Mileage Bulk Truck	1.05	277.20
5502C	3hrs	80Bbl Kic Truck	90.00	270.00
1123	3000gal	City Water	12.80	3840
4404	RECEIVED	4 1/2" Top Rubber Plug	40.00	40.00
	KANSAS CORPORATION COMMISSION			
	AUG 18 2006			
	Thank You!			
	CONSERVATION DIVISION WICHITA, KS		Sub Total	3826.10
		63%	SALES TAX	156.17
			ESTIMATED TOTAL	3982.27

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

08/18/06

*Layne Energy, Inc.*

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

August 17, 2006

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WICHITA, KS

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

KCC  
AUG 17 2006  
CONFIDENTIAL

Re: Well Completion Form

To Whom It May Concern:

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

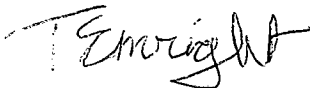
API # 15-205-26517  
Gorton 3-36

API # 15-205-26427  
Katzner 5-23

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,



Theresa Enright

Enclosures

Cc Well File  
Field Office

