

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: M. B. Natrass
Phone: (913) 748-3987
Contractor: Name: McPherson Drilling
License: 5675

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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>3/24/2006</u> Spud Date or Recompletion Date	<u>3/27/2006</u> Date Reached TD	<u>4/18/2006</u> Completion Date or Recompletion Date
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API No. 15 - 205-26429 -00-00
County: Wilson
SW NE Sec. 32 Twp. 30 S. R. 16 East West
1973 feet from S / N (circle one) Line of Section
1980 feet from E / W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Newby AX&P Well #: 7-32
Field Name: Neodesha
Producing Formation: Cherokee Coals
Elevation: Ground: 783 Kelly Bushing: _____
Total Depth: 905 Plug Back Total Depth: 886
Amount of Surface Pipe Set and Cemented at 45 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set _____ Feet
If Alternate II completion, cement circulated from 893
feet depth to Surface w/ 90 sx cmt.

Drilling Fluid Management Plan *44 11 11 8-5-06*
(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: 7/18/06
Subscribed and sworn to before me this 18 day of July
ae
Notary Public: Brooke C Maxfield
Date Commission Expires: 12/28/09

NOTARY PUBLIC - State Of Kansas
BROOKE C. MAXFIELD
My Appt. Exp. 12/28/09

KCC Office Use ONLY

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

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Operator Name: Layne Energy Operating, LLC Lease Name: Newby AX&P Well #: 7-32
 Sec. 32 Twp. 30 S. R. 16 East West County: Wilson

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

<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample
Name	Top	Datum
Pawnee Lime	494 GL	289
Excello Shale	630 GL	153
V Shale	685 GL	98
Mineral Coal	722 GL	61

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	45	Class A	56	Type 1 cement
Casing	6.75	4.5	10.5	893	Thick Set	90	

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		

TUBING RECORD		Size	Set At	Packer At	Liner Run	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		2 3/8"	749'			
Date of First, Resumerd Production, SWD or Enhr.			Producing Method			
7/6/2006			<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	1	80			

Disposition of Gas Vented Sold Used on Lease (If vented, Submit ACO-18.)

METHOD OF COMPLETION Open Hole Perf. Dually Comp. Commingled Other (Specify)

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Operator Name:	Layne Energy Operating, LLC.		
Lease Name:	Newby AX&P 7-32		
	Sec. 32 Twp. 30S Rng. 16E, Montgomery County		
API:	15-205-26429		
Shots per Foot	Perforation Record	Acid, Fracture, Shot, Cement Squeeze Record	Depth
4	721.5-723, 685.5-688, 664.5-666, 630-636.5, 611.5-614	Mineral, Croweburg, Ironpost, Mulky, Summit-8000# 20/40 sand, 1500 gal 15% HCl acid, 689 bbls wtr	611.5-723

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GEOLOGIC REPORT

LAYNE ENERGY
Newby AX&P 7-32
SW NE, 1973 FNL, 1980 FEL
Section 32-T30S-R16E
Wilson County, KS

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Spud Date: 3/24/2006
Drilling Completed: 3/27/2006
Logged: 3/28/2006
A.P.I. #: 15-205-26429
Ground Elevation: 783'
Depth Driller: 905'
Depth Logger: 905'
Surface Casing: 8.625 inches at 40'
Production Casing: 4.5 inches at 893'
Cemented Job: Consolidated
Open Hole Logs: Dual Induction SFL/GR, High Resolution
Compensated Density/Neutron

Formation

Quaternary
Pawnee Limestone
Excello Shale
"V" Shale
Mineral Coal
Mississippian

Tops (in feet below ground level)

Surface (Alluvium)
494
630
685
722

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MORNING COMPLETION REPORT

Report Called in by: : JOHN ED _____

Report taken by: KRD _____

LEASE NAME & #	AFE#	DATE	DAYS	CIBP	PBTD
NEWBY AX&P 7-32	C01021900600	3/24/2006	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 <td colspan="3">RIG NO</td>	RIG NO		
PACKER OR ANCHOR	FISHING TOOLS	OD	ID	SQUEEZED OR PLUG BACK PERFS	
				TO	TO
				TO	TO
				TO	TO
				TO	TO
HRS	BRIEF DESCRIPTION OF OPERATION				
	MIRU MCPHERSON DRILLING, DRILLED 11" HOLE, 45' DEEP, RIH W/ 2 JT 8 5/8" SURFACE CASING,				
	RU CONSOLIDATED, BREAK CIRCULATION W/FRESH WATER. MIXED 56 SKS REGULAR CMT W/ 2% GEL,				
	2% CACLZ, 1/4# FLOCELE @14.8 # PER/GAL. DISPLACE W/2-1/2 BBLs WATER. SHUTDOWN CLOSE CSG IN				
	GOOD CEMENT RETURNS, 2 BBLs SLURRY.				

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DAILY COST ANALYSIS

DETAILS OF RENTALS, SERVICES, & MISC

RIG	_____
SUPERVISION	200
RENTALS	_____
SERVICES	4048
MISC	800

Mc DRILLING @ 6.50/ft	
Mc (CEMENT)	
DIRTWORKS (LOC, RD, PIT)	400
SURFACE CASING	800
LAND/ LEGAL	2000
CONSOLIDATED	1648

DAILY TOTALS	5048	PREVIOUS TCTD	_____	TCTD	5048
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CONSOLIDATED OIL WELL SERVICES, INC.
 P.O. BOX 884, CHANUTE, KS 66720
 620-431-9210 OR 800-467-8676

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TICKET NUMBER 08542
 LOCATION Eureka
 FOREMAN Brad Butter

TREATMENT ~~CONFIDENTIAL~~ FIELD TICKET
 CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
3-29-06	4158	Newby 7-32				Wilson
CUSTOMER Layne Energy			Gus Jones			
MAILING ADDRESS P.O. Box 160			TRUCK #			
CITY Sycamore			DRIVER			
STATE KS			TRUCK #			
ZIP CODE			DRIVER			
			446	SCOTT		
			439	Justin		
			452-763	Jim		

JOB TYPE Logging HOLE SIZE 6 3/4" HOLE DEPTH _____ CASING SIZE & WEIGHT 4 1/2" - 10.5 lb
 CASING DEPTH 893' DRILL PIPE _____ TUBING _____ OTHER PBTD 886'
 SLURRY WEIGHT 13.2 lb SLURRY VOL 28 Bbl. WATER gal/sk 8.0 CEMENT LEFT in CASING 7'
 DISPLACEMENT 14 Bbls. DISPLACEMENT PSI 400 PSI 1000 Bump Plug RATE _____

REMARKS: Safety Meeting: Rig up to 4 1/2" casing. Break circulation with 15 Bbl. water.
Pumped 10 Bbl. Gel Flush, 10 Bbl. Water, 10 Bbl. Metasilicate, 7 Bbl. Dye water.
Mixed 90 SKS Thick Set cement w/ 10" PYSK of KOL-SEAL at 13.2 lb PYSK. Shut down - washout
Pump shins - Release Plug - Displace Plug with 14 Bbls water.
Final pumping at 400 PSI - Bump Plug to 1000 PSI - wait 2 minutes - Release Pressure.
Float Hold - Good cement returns to surface with 6 Bbl slurry
Job complete - Test down

"Thank you"

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
5401	1	PUMP CHARGE	800.00	800.00
5406	0	MILEAGE <u>2nd Job of 2</u>	-	N/C
1126 A	90 SKS	Thick Set cement	14.65	1318.50
1110 A	900 lbs	KOL-SEAL 10" PYSK	1.36 lb	324.00
1118 A	200 lbs	Gel Flush	1.4 lb	28.00
1111 A	50 lbs	Metasilicate Preflush	1.65 lb	82.50
5407A	4.95 Ton	40 miles - Bulk Truck	1.05	207.90
5501 C	4 Hrs	Water Transport	98.00	392.00
1123	4700 GAL	City water	12.80	60.16
4201	1	4 1/2" Guide shoe	97.00	97.00
4227	1	4 1/2" Inset Flapper Valve	102.00	102.00
4404	1	4 1/2" Top Rubber Plug	40.00	40.00
		6.32	SALES TAX	129.29
			ESTIMATED TOTAL	3581.35

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AUTHORIZATION Called by John Ed TITLE _____ DATE _____

07/18/08

Layne Energy, Inc.

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

July 18, 2006

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

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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 # 15-125-30980
Cox 4-33

API# 15-125-31005
Gibson 13-27

API# 15-205-26429
Newby AX&P 7-32

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 C. Maxfield
Brooke C. Maxfield

Enclosures

Cc • Well File
Field Office

