

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: Thornton Air Rotary
License: 33606

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>4/14/2006</u> | <u>3/15/2006</u> | <u>7/12/2006</u> |
| Spud Date or Recompletion Date | Date Reached TD | Completion Date or Recompletion Date |

API No. 15 - 125-31046-00-00
County: Montgomery
SW - SW - NW Sec. 2 Twp. 32 S. R. 14 East West
2031 feet from S / (circle one) Line of Section
530 feet from E / (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Osburn Well #: 5-2
Field Name: Cherokee Basin Coal
Producing Formation: Cherokee Coals
Elevation: Ground: 923 Kelly Bushing: _____
Total Depth: 1523 Plug Back Total Depth: 1519
Amount of Surface Pipe Set and Cemented at 21 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set _____ Feet
If Alternate II completion, cement circulated from 1519
feet depth to Surface w/ 155 sx cmt.

Drilling Fluid Management Plan ALT II NH 8-28-06
(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: [Signature]
Title: Agent Date: 8/10/2006
Subscribed and sworn to before me this 10 day of August
20 06
Notary Public: [Signature]
Date Commission Expires: 12/28/09

NOTARY PUBLIC State of Kansas
BROOKE C. MAXFIELD
My Appt. Exp. 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 11 2006

CONSERVATION DIVISION
WICHITA, KS

Side Two

KCC

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Operator Name: Layne Energy Operating, LLC Lease Name: Osburn Well #: 5-2
Sec. 2 Twp. 32 S. R. 14 [X] 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 [X] No
Samples Sent to Geological Survey [] Yes [X] No
Cores Taken [] Yes [X] No
Electric Log Run [X] Yes [] No
List All E. Logs Run:
Compensated Density Neutron
Dual Induction
[X] Log Formation (Top), Depth and Datum [] Sample
Name Top Datum
Pawnee Lime 928 GL -5
Excello Shale 1080 GL -157
V Shale 1127 GL -204
Mineral Coal 1176 GL -253
Mississippian 1441 GL -518

CASING RECORD [X] New [] Used
Report all strings set-conductor, surface, intermediate, production, etc.
Table with columns: 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

ADDITIONAL CEMENTING / SQUEEZE RECORD
Table with columns: Purpose, Depth Top Bottom, Type of Cement, #Sacks Used, Type and Percent Additives

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 [] Yes [X] No
2 3/8" 1459'
Date of First, Resumerd Production, SWD or Enhr. 8/3/2006
Producing Method [] Flowing [X] Pumping [] Gas Lift [] Other (Explain)
Estimated Production Per 24 Hours
Oil Bbls. 0 Gas Mcf 20 Water Bbls. 127 Gas-Oil Ratio Gravity

Disposition of Gas METHOD OF COMPLETION Production Interval
[] Vented [X] Sold [] Used on Lease [] Open Hole [X] Perf. [] Dually Comp. [X] Commingled
(If vented, Submit ACO-18.) [] Other (Specify)

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Operator Name: Layne Energy Operating, LLC.
Lease Name: Osburn 5-2
Sec. 2 Twp. 32S Rng. 14E, Montgomery County
API: 15-125-31046

| Shots per Foot | Perforation Record | Acid, Fracture, Shot, Cement Squeeze Record | Depth |
|-----------------------|--|---|---------------|
| 4 | 1390-1391.5, 1269.5-1270.5, 1241.5-1244.5 | Rowe, Bluejacket, Weir-4100# 20/40 sand, 600 gal 15% HCl acid, 392 bbls wtr | 1241.5-1391.5 |
| 4 | 1191.5-1193, 1175.5-1177, 1128-1130.5, 1105.5-1107 | Scammon, Mineral, Croweburg, Ironpost-5600# 20/40 sand, 700 gal 15% HCl acid, 461 bbls wtr | 1105.5-1193 |
| 4 | 1079.5-1085, 1054-1058, 924.5-925.5 | Mulky, Summit, Mulberry-5800# 20/40 sand, 1000 gal 15% HCl acid, 452 bbls wtr | 924.5-1085 |

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GEOLOGIC REPORT

LAYNE ENERGY
Osburn 5-2
SW NW, 2031 FNL, 530 FWL
Section 2-T32S-R14E
Montgomery County, KS

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Spud Date: 4/14/2006
Drilling Completed: 4/18/2006
Logged: 4/18/2006
A.P.I. #: 1512531046
Ground Elevation: 923'
Depth Driller: 1523'
Depth Logger: 1524'
Surface Casing: 8.625 inches at 20'
Production Casing: 4.5 inches at 1519.2'
Cemented Job: Consolidated
Open Hole Logs: Dual Induction SFL/GR, High Resolution
Compensated Density/Neutron

Formation

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

Tops (in feet below ground level)

Surface (South Bend Limestone Member)
928
1,080
1,127
1,176
1,441

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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 08488

LOCATION EUREKA

FOREMAN KEVIN McCoy

TREATMENT REPORT & FIELD TICKET
CEMENT

| | | | | | | |
|-----------------|------------|--------------------|-----------|----------|---------|--------|
| DATE | CUSTOMER # | WELL NAME & NUMBER | SECTION | TOWNSHIP | RANGE | COUNTY |
| 3-16-06 | 4758 | OSBURN 5-2 | | | | MG |
| CUSTOMER | | | | | | |
| Layne Energy | | | Gus Jones | | | |
| MAILING ADDRESS | | | Rig 2 | | | |
| P.O. Box 160 | | | TRUCK # | DRIVER | TRUCK # | DRIVER |
| CITY | | | 445 | RICK L. | | |
| STATE | | | 479 | CALIN | | |
| ZIP CODE | | | 436 | John | | |
| Sycamore | | | | | | |
| KS | | | | | | |

JOB TYPE Longstring HOLE SIZE 6 3/4 HOLE DEPTH 1523' CASING SIZE & WEIGHT 4 1/2 10.5" New
CASING DEPTH 1519' DRILL PIPE _____ TUBING _____ OTHER _____
SLURRY WEIGHT 13.2 * SLURRY VOL 48 BBL WATER gal/sk 8.0 CEMENT LEFT in CASING 0'
DISPLACEMENT 24.2 BBL DISPLACEMENT PSI 700 PSI 1200 Bump Plug RATE _____

REMARKS: Safety Meeting: Rig up to 4 1/2 casing. Break circulation w/ 30 BBL fresh water. Pump 4 sks Gel Flush, 5 BBL water spacer, 10 BBL Metasilicate Pre Flush, 15 BBL Dye water. Mixed 155 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/ 24.2 BBL fresh water. FINAL Pumping Pressure 700 psi. Bump Plug to 1200 psi. Wait 2 minutes. Release Pressure. Float Held. Good Cement Returns to Surface = 9 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 1 st well of 2 | 3.15 | 126.00 |
| 1126 A | 155 sks | Thick Set Cement | 14.65 | 2270.75 |
| 1110 A | 1550 * | Kol-Seal 10" per/sk | .36 * | 558.00 |
| 1118 A | 200 * | Gel Flush | .14 * | 28.00 |
| 1111 A | 50 * | Metasilicate Pre Flush | 1.65 * | 82.50 |
| 5407 A | 8.52 Tons | 40 miles Bulk Truck | 1.05 | 357.84 |
| 5502 c | 3 Hrs | 80 BBL VAC TRUCK | 90.00 | 270.00 |
| 4404 | 1 | 4 1/2 Top Rubber Plug | 40.00 | 40.00 |
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| | | | Sub Total | 4533.09 |
| | | Thank You | SALES TAX | 157.89 |
| | | 5.3% | ESTIMATED TOTAL | 4690.98 |

AUTHORIZATION Called By John Ed

TITLE _____

DATE _____

203102

Layne Energy, Inc.

08/10/08

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

August 10, 2006

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

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CONSERVATION DIVISION
WICHITA, KS

Re: Well Completion Form

To Whom It May Concern:

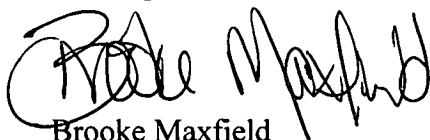
I have enclosed the ACO-1 form and associated data for the following wells:

API # 15-125-31046
Osburn 5-2

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

