

CONFIDENTIAL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

ORIGINAL

Form ACO-1
September 1999
Form Must Be Typed

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 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. _____

6/23/2006 6/27/2006
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 125-31028-00-00
County: Montgomery
____ NE ____ NW Sec. 16 Twp. 34 S. R. 16 East West
660 feet from S / (circle one) Line of Section
1980 feet from E / (circle one) Line of Section
Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Hoseney Well #: 3-16
Field Name: Jefferson-Sycamore
Producing Formation: Cherokee Coals
Elevation: Ground: 871 Kelly Bushing: _____
Total Depth: 1283 Plug Back Total Depth: 1266
Amount of Surface Pipe Set and Cemented at 22 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set _____ Feet
If Alternate II completion, cement circulated from 1266
feet depth to Surface w/ 130 sx cmt.

Drilling Fluid Management Plan ALT II NH 7-3-108
(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: 10/19/2006
Subscribed and sworn to before me this 19 day of October
2006.
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

Operator Name: Layne Energy Operating, LLC Lease Name: Hosenev Well #: 3-16
 Sec. 16 Twp. 34 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 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>(Attach Additional Sheets)</i> Samples Sent to Geological Survey <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Electric Log Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Submit Copy)</i> List All E. Logs Run: Compensated Density Neutron Dual Induction	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">Name</td> <td style="width:20%;">Top</td> <td style="width:20%;">Datum</td> </tr> <tr> <td>Pawnee Lime</td> <td>537 GL</td> <td>334</td> </tr> <tr> <td>Excello Shale</td> <td>720 GL</td> <td>151</td> </tr> <tr> <td>V Shale</td> <td>775 GL</td> <td>96</td> </tr> <tr> <td>Mineral Coal</td> <td>831 GL</td> <td>40</td> </tr> <tr> <td>Mississippian</td> <td>1173 GL</td> <td>-302</td> </tr> </table>	Name	Top	Datum	Pawnee Lime	537 GL	334	Excello Shale	720 GL	151	V Shale	775 GL	96	Mineral Coal	831 GL	40	Mississippian	1173 GL	-302
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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	22'	Class A	4	Type 1 cement
Casing	6.75	4.5	10.5	1266'	Thick Set	130	

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
	SI, waiting on completion	

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 WICHITA, KS

TUBING RECORD	Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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Date of First, Resumerd Production, SWD or Enhr. SI, waiting on completion	Producing Method <input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)
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Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity
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Disposition of Gas Vented Sold Used on Lease Open Hole Perf. Dually Comp. Commingled Other (Specify) _____

(If vented, Submit ACO-18.)

06-29-2006 08:39 GARY R MASSEY 6205835168

KCC

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10225

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

TICKET NUMBER
LOCATION Eureka
FOREMAN Tray Strickler

TREATMENT REPORT & FIELD TICKET
CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
6-28-06	4758	Haseney 3-16				MG
CUSTOMER			TRUCK #			
Layne Energy			DRIVER			
MAILING ADDRESS			TRUCK #			
P.O. Box 160			DRIVER			
CITY						
Sycamore						
STATE						
Ks.						
ZIP CODE						

JOB TYPE Long string HOLE SIZE 6 3/4" HOLE DEPTH 1283 CASING SIZE & WEIGHT 4 1/2"
 CASING DEPTH 1266' DRILL PIPE _____ TUBING _____ OTHER _____
 SLURRY WEIGHT 13.2" SLURRY VOL _____ WATER gal/sk 8" CEMENT LEFT in CASING 0'
 DISPLACEMENT 20.1 DISPLACEMENT PSI 700 MIX PSI 1200 Bump Plug RATE _____

REMARKS: Safety meeting: Rig up to 4 1/2" casing. Break circulation w/ 25.861 water.
Pump 200bl Gel-Flush, 108bl Metasilicate Pre-Flush. Mixed 130sk Thick Set
Cement w/ 10# Kol-Seal Paste @ 13.2" w/gal. Wash out pump + lines. Release
Plug. Displace w/ 20.1 bl water. Final Pump Pressure 700 PSI. Bump Plug to
1700 PSI. Wait 2mins. Release pressure. Float held. Good Cement to surface
= 78bl slurry to pit.
Job Complete.

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT RECEIVED	UNIT PRICE	TOTAL
5401	1	PUMP CHARGE KANSAS CORPORATION COMMISSION	800.00	800.00
5406	40	MILEAGE OCT 20 2006	3.15	126.00
1126A	130sk	Thick Set Cement CONSERVATION DIVISION WICHITA, KS	14.65	1904.50
1119A	1300 #	Kol-Seal 10# Paste	.36 #	468.00
1118A	200 #	Gel-Flush	.14 #	28.00
1111A	50 #	Metasilicate	1.65 #	82.50
5407A	7.15 Ton	Ton-mileage Bulk Truck	1.05	300.30
4404	1	4 1/2" Top Rubber Plug	40.00	40.00
<u>Thank you!</u>				
			Sub Total	3749.30
			SALES TAX 5.3%	133.72
			ESTIMATED TOTAL	3883.02

AUTHORIZATION Called by John Ed.

TITLE _____

DATE _____

GEOLOGIC REPORT

LAYNE ENERGY
Hoseney 3-16
NE NW, 660 FNL, 1980 FWL
Section 16-T34S-R16E
Montgomery County, KS

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Spud Date:	6/23/2006
Drilling Completed:	6/27/2006
Logged:	6/27/2006
A.P.I. #:	1512531028
Ground Elevation:	871'
Depth Driller:	1283'
Depth Logger:	1284'
Surface Casing:	8.625 inches at 21'
Production Casing:	4.5 inches at 1266'
Cemented Job:	Consolidated
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 (Noxie Sandstone)
537
720
775
831
1,173

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CONSERVATION DIVISION
WICHITA, KS

10/19/08

Layne Energy, Inc.

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

October 19, 2006

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

KCC
OCT 19 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 # 15-125-31028
Hoseney 3-16

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

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OCT 20 2006
CONSERVATION DIVISION
WICHITA, KS

Enclosures

Cc Well File
Field Office

