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KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

NOV 03 2006

Form ACO-1 September 1999 Form Must Be Typed

WELL COMPLETION FORM CONSERVATION DIVISION
WELL HISTORY - DESCRIPTION OF WELL & LEASE WICHITA, KS

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 SLOW 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.
7/7/2006 7/11/2006 9/8/2006
Spud Date or Date Reached TD Completion Date or Recompletion Date

API No. 15 - 125-31117 - 05-100
County: Montgomery
SW NW Sec. 3 Twp. 31 S. R. 14 East West
1980 feet from S / N (circle one) Line of Section
660 feet from E / W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: McCabe Well #: 5-3
Field Name: Cherokee Basin Coal Area

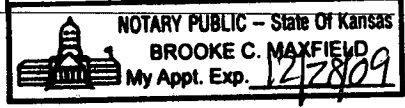
Producing Formation: Cherokee Coals
Elevation: Ground: 878 Kelly Bushing:
Total Depth: 1483 Plug Back Total Depth: 1477
Amount of Surface Pipe Set and Cemented at 20 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set Feet
If Alternate II completion, cement circulated from 1477
feet depth to Surface w/ 150 sx cm.

Drilling Fluid Management Plan AH-IVH 8-18-08
(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: 11/2/2006
Subscribed and sworn to before me this 2 day of November
Notary Public: Brooke C. Maxfield
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

Operator Name: Layne Energy Operating, LLC Lease Name: McCabe Well #: 5-3
 Sec. 3 Twp. 31 S. R. 14 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	Pawnee Lime	892 GL	-14
Electric Log Run <i>(Submit Copy)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Excello Shale	1023 GL	-145
List All E. Logs Run:		V Shale	1093 GL	-215
Compensated Density Neutron Dual Induction		Mineral Coal	1135 GL	-257

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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	# Sacs Used	Type and Percent Additives
Surface	11	8.65	24	20'	Class A	4	Type 1 cement
Casing	6.75	4.5	10.5	1477'	Thick Set	150	

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	Acid, Fracture, Shot, Cement Squeeze Record	Depth
	Specify Footage of Each Interval Perforated	(Amount and Kind of Material Used)	
	See Attached		
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		CONSERVATION DIVISION	
		WICHITA, KS	

TUBING RECORD		Size	Set At	Packer At	Liner Run
		2 3/8"	1165'		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production. SWD or Enhr.		Producing Method			
10/3/2006		<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	11	102		

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

METHOD OF COMPLETION: Open Hole Perf. Dually Comp. Commingled

Production Interval: Other (Specify) _____

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CONSERVATION DIVISION
WICHITA, KS

Operator Name: Layne Energy Operating, LLC.
Lease Name: McCabe 5-3
Sec. 3 Twp. 31S Rng. 14E, Montgomery County
API: 15-125-31117

Shots per Foot	Perforation Record	Acid, Fracture, Shot, Cement Squeeze Record	Depth
4	1134-1137, 1092-1095.5, 1074.5-1078	Mineral, Croweburg, Bevier - 9200# 20/40 sand, 540 bbls wtr, 850 gal 15% HCl acid	1074.5-1137
4	1022.5-1027.5, 1005-1010, 888.5-890	Mulky, Summit, Mulberry - 12500# 20/40 sand, 1150 gal 15% HCl acid, 633 bbls wtr	888.5-1027.5
4			

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MORNING COMPLETION REPORT

Report Called in by: JES

Report taken by: KR D

LEASE NAME & # MCCABE 5-3		AFE# N/A	DATE 7/7/2006	DAYS 1	CIBP DEPTH TYPE	PBTD TYPE FLUID
PRESENT OPERATION: DRILL OUT FROM UNDER SURFACE						WT VIS
DEEPEST CASING OD SHOE DEPTH	LINERS OD TOP & SHOE DEPTH 8 5/8" 24# J-55 — Set 20'	REPAIR DOWN TIME HRS	CONTRACTOR MOKAT RIG NO BILLY			
		TEST PERFS	SQUEEZED OR PLUG BACK PERFS			
PACKER OR ANCHOR	FISHING TOOLS OD ID	TO	TO			
		TO	TO			
		TO	TO			
		TO	TO			
HRS	BRIEF DESCRIPTION OF OPERATION					
	MIRU MCPHERSON DRILLING, DRILLED 11" HOLE, 20' DEEP, RIH W/ 1 JT 8 5/8" SURFACE CASING.					
	MIXED 4 SXS TYPE 1 CEMENT, DUMPED DN THE BACKSIDE, SDFN.					

DAILY COST ANALYSIS

RIG	_____
SUPERVISION	200
RENTALS	_____
SERVICES	400
MISC	2280

DETAILS OF RENTALS, SERVICES, & MISC	
MOKAT DRILLING @ 6.50/ft	
MOKAT (CEMENT)	80
DIRTWORKS (LOC, RD, PIT)	400
SURFACE CASING	200
LAND/ LEGAL	2000

DAILY TOTALS 2880 PREVIOUS TCTD TCTD 2880

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CONSOLIDATED OIL WELL SERVICES, INC.
 P.O. BOX 884, CHANUTE, KS 66720
 820-431-9210 OR 800-467-8676

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**TREATMENT REPORT & FIELD TICKET
 CEMENT**

TICKET NUMBER 10281
 LOCATION Eureka
 FOREMAN Troy Strickler

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
7-12-06	4758	McCabe 3-5 5-3				MO
CUSTOMER Layne Energy			Gus Jones #2			
MAILING ADDRESS P.O. Box 160						
CITY Sycamore	STATE Ks	ZIP CODE	TRUCK #	DRIVER	TRUCK #	DRIVER
			446	Calin		
			499	Kyle		

JOB TYPE Longstring HOLE SIZE 6 3/4" HOLE DEPTH 1483' CASING SIZE & WEIGHT 4 1/2"
 CASING DEPTH 1477 DRILL PIPE _____ TUBING _____ OTHER _____
 SLURRY WEIGHT 13.2# SLURRY VOL 47.58bl WATER gallsk 8° CEMENT LEFT in CASING 0'
 DISPLACEMENT 23.5 Bbl DISPLACEMENT PSI 700 MIX PSI 1200 Bump/Plg RATE _____

REMARKS: Safety Meeting: Rig up to 4 1/2" casing. Break circulation w/ 30 Bbl water. Pump 20Bbl Gel-Flush, 10Bbl water spacer, 12Bbl Dye, Mixed 150sks Thick Set Cement w/ 10" Kol-Seal Paste @ 13.2# per gal. Wash out Pump + lines. Release Plug. Displace w/ 23.5 Bbl. Final Pump Pressure 700 PSI. Bump Plug 1200 PSI. Wait 2mins. Release Pressure. Float Held. Good Cement to surface = 80bl slurry to pit.

Job Complete

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ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	CONSERVATION DIVISION	
			UNITS	TOTAL
5401	1	PUMP CHARGE	800.00	800.00
5406	40	MILEAGE	3.15	126.00
1126A	150sks	Thick Set Cement	14.65	2197.50
1110A	1500#	Kol-Seal 10" Paste	36	540.00
1118A	200#	Gel-Flush	.14#	28.00
1111A	50#	Metasilicate	1.65#	82.50
5407A	8.25 Ton	Ton-Mileage Bulk Truck	1.05	346.50
4404	1	4 1/2" Top Rubber	40.00	40.00

1st-It* Fax Note 7671
 Date 11/02/06 # of pages 2
 From Michelle
 Co. [Signature]
 Phone # _____
 Fax # 413-748-3950

Sub Total 4160.50
 SALES TAX 153.06
 ESTIMATED TOTAL 4313.56
 LE _____ DATE _____

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CONSERVATION DIVISION
WICHITA, KS

GEOLOGIC REPORT

LAYNE ENERGY
McCabe 5-3
SW NW, 1980 FNL, 660 FWL
Section 3-T31S-R14E
Montgomery County, KS

Spud Date:	7/7/2006
Drilling Completed:	7/11/2006
Logged:	7/12/2006
A.P.I. #:	1512531117
Ground Elevation:	878'
Depth Driller:	1483'
Depth Logger:	1174'
Surface Casing:	8.625 inches at 21'
Production Casing:	4.5 inches at 1477'
Cemented Job:	Consolidated
Open Hole Logs:	Dual Induction SFL/GR, High Resolution Compensated Density/Neutron

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Formation

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

Tops (in feet below ground level)

Surface (Alluvium)
892
1,023
1,093
1,135

11/02/08

Layne Energy, Inc.

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

November 2, 2006

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CONSERVATION DIVISION
WICHITA, KS

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 # 15-125-31117
McCabe 5-3

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 C. Maxfield
Brooke C. Maxfield

Enclosures

Cc Well File
Field Office

