KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

OPERATOR: 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: MOKAT Drilling
License: 5831
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:

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.

July 15, 2004  July 19, 2004  August 10, 2004
Spud Date or Recompletion Date  Date Reached TD  Completion Date or Recompletion Date

API No. 15 - 125-30536 - CONSERVATION DIVISION WICHITA, KS
County: Montgomery
NW - SW - Sec. 31  Twp. 31  S. R. 15  [ ] East  [ ] West
1945 feet from S N (circle one) Line of Section
578 feet from E W (circle one) Line of Section
Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW

Lease Name: Chism  Well #: 12-31
Field Name: Cherokee Basin Coal Gas  Producing Formation: Cherokee Coals
Elevation: Ground: 961  Kelly Bushing:
Total Depth: 1515  Plug Back Total Depth: 1510
Amount of Surface Pipe Set and Cemented at 20 Feet
If Multiple Stage Cementing Collar Used?  [ ] Yes  [ ] No
If yes, show depth set  Feet
If Alternate II completion, cement circulated from 1513 Feet
depth to  Surface  w/ 190 lbs cement.

Drilling Fluid Management Plan
(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: 11/10/04
Subscribed and sworn to before me this 10th day of November, 2004.
Notary Public: [Signature]
Date Commission Expires:

KCC Office Use ONLY
Letter of Confidentiality Attached
If Denied, Yes [ ] Date:
Wireline Log Received
Geologist Report Received
UIC Distribution

MARGARET ALLEN
Notary Public - State of Kansas
My Appt. Expires 09/18/2005