

CONFIDENTIAL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL

1/11/09
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 **KCC**
Phone: (913) 748-3987
Contractor: Name: McPherson Drilling **JAN 11 2007**
License: 5675 **CONFIDENTIAL**

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. _____

9/14/2006 9/18/2006
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 125-31181-00-00
County: Montgomery
_____-SW_NW Sec. 18 Twp. 32 S. R. 17 East West
2158 feet from S / **(N)** (circle one) Line of Section
340 feet from E / **(W)** (circle one) Line of Section
Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Shepherd Well #: 5-18
Field Name: Coffeyville - Cherryvale
Producing Formation: Cherokee Coals
Elevation: Ground: 803 Kelly Bushing: _____
Total Depth: 1105 Plug Back Total Depth: 1097
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 1097
feet depth to Surface w/ 110 sx cmt.

Drilling Fluid Management Plan **AIT II 04 9-4-08**
(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: M.B. Natrass
Title: Agent Date: 1/11/2007
Subscribed and sworn to before me this 11 day of January,
2007
Notary Public: Broke C. Maxfield
Date Commission Expires: 12/28/09

NOTARY PUBLIC - State Of Kansas
BROKE 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
JAN 12 2007

CONSERVATION DIVISION
WICHITA, KS

Operator Name: Layne Energy Operating, LLC Lease Name: Shepherd Well #: 5-18
 Sec. 18 Twp. 32 S. R. 17 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>444 GL</td> <td>359</td> </tr> <tr> <td>Excello Shale</td> <td>599 GL</td> <td>204</td> </tr> <tr> <td>V Shale</td> <td>651 GL</td> <td>152</td> </tr> <tr> <td>Mineral Coal</td> <td>695 GL</td> <td>108</td> </tr> <tr> <td>Mississippian</td> <td>1005 GL</td> <td>-202</td> </tr> </table>	Name	Top	Datum	Pawnee Lime	444 GL	359	Excello Shale	599 GL	204	V Shale	651 GL	152	Mineral Coal	695 GL	108	Mississippian	1005 GL	-202
Name	Top	Datum																	
Pawnee Lime	444 GL	359																	
Excello Shale	599 GL	204																	
V Shale	651 GL	152																	
Mineral Coal	695 GL	108																	
Mississippian	1005 GL	-202																	

KCC
 JAN 11 2007
 CONFIDENTIAL

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	1097'	Thick Set	110	

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
	SI waiting on completion		

TUBING RECORD	Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
---------------	------	--------	-----------	---

Date of First, Resumerd Production, SWD or Enhr.	Producing Method
SI waiting on pipeline	<input type="checkbox"/> Flowing <input 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
-----------------------------------	-----------	---------	-------------	---------------	---------

Disposition of Gas	METHOD OF COMPLETION	Production Interval
<input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	<input type="checkbox"/> Open Hole <input type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____	_____

RECEIVED
 KANSAS CORPORATION COMMISSION
 JAN 12 2007
 CONSERVATION DIVISION
 WICHITA KS

Daily Well Work Report

SHEPHERD 5-18
9/14/2006

Well Location:
MONTGOMERY KS
32S-17E-18 SW NW
2158FNL / 340FWL

Cost Center G01019600100
Lease Number G010196
Property Code GLNA-0173
API Number 15-125-31181

Spud Date	RDMO Date	First Compl	First Prod	EFM Install	CygnnetID
9/14/2006	9/18/2006				

TD	PBTD	Sf Csg Depth	Pr Csg Depth	Tbg Size	Csg Size	Pump Seat Depth
1105	1097	20	1097			1097

Reported By **Rig Number** **Date** 9/14/2006
Taken By **Down Time**
Present Operation **Contractor**

Narrative

MIRU McPherson Drilling, drilled 11" hole, 20', Rih/w1 jt 8-5/8" surface casing. Mixed 4 sxs type 1 cement, dumped dn the backside. SDFN

KCC
JAN 11 2007
CONFIDENTIAL

RECEIVED
KANSAS CORPORATION COMMISSION
JAN 12 2007
CONSERVATION DIVISION
WICHITA, KS

GEOLOGIC REPORT

LAYNE ENERGY
Shepherd 5-18
SW NW, 2158 FNL, 340 FWL
Section 18-T32S-R17E
Montgomery County, KS

KCC
JAN 11 2007
CONFIDENTIAL

Spud Date: 9/14/2006
Drilling Completed: 9/18/2006
Logged: 9/18/2006
A.P.I. #: 1512531181
Ground Elevation: 803'
Depth Driller: 1105'
Depth Logger: 1106'
Surface Casing: 8.625 inches at 20'
Production Casing: 4.5 inches at 1097'
Cemented Job: Consolidated
Open Hole Logs: Dual Induction SFL/GR, High Resolution
Compensated Density/Neutron

Formation

Tops (in feet below ground level)

Kansas City Group	Surface (Cherryvale Formation)
Pawnee Limestone	444
Excello Shale	599
"V" Shale	651
Mineral Coal	695
Mississippian	1,005

RECEIVED
KANSAS CORPORATION COMMISSION
JAN 12 2007
CONSERVATION DIVISION
WICHITA, KS

CONSOLIDATED OIL WELL SERVICES, INC.
 P.O. BOX 884, CHANUTE, KS 68720
 620-431-9210 OR 800-487-8576

KCC

JAN 11 2007

TICKET NUMBER 10725

LOCATION Evans

FOREMAN Tony Parker

TREATMENT REPORT & FIELD TICKET
 CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
9-19-06	4768	Shepard 5-18				MC
CUSTOMER Layne Energy			TRUCK # DRIVER TRUCK # DRIVER			
MAILING ADDRESS P.O. Box 160			446	Cliff		
CITY STATE ZIP CODE Spartan KS			441	Jeff		

Gas Jones Tony

JOB TYPE Logstry HOLE SIZE 6 3/4" HOLE DEPTH 1105' CASING SIZE & WEIGHT 4 1/2" 10.5"
 CASING DEPTH 1097' DRILL PIPE _____ TUBING _____ OTHER _____
 SLURRY WEIGHT 18.8" SLURRY VOL 350bl WATER gal/sk 8' CEMENT LEFT IN CASING 0'
 DISPLACEMENT 17.4bl DISPLACEMENT PSI 500 MIX PSI 1000 empty RATE _____

REMARKS: Safety Meeting; Rig up to 4 1/2" casing. Break Circulation w/ 250bl water. Pump 4sk Gel-Flush 50bl water, 1sk Materialize Ac-Flush, 80bl Dry water. Mixed 110sk Thick Set Cement w/ 10" Kol-Seal @ 1320' depth. Wash out Pump + lines. Release Plug. Displace w/ 17.4bl water. Final Pump Pressure 500 PSI Pump Plug to 1000 PSI. Wait 2mins Release Pressure. Flat Well Road Cement to surface = 70bl slurry to fill.

To: b Capote.

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
5401	1	PUMP CHARGE	800.00	800.00
5406	40	MILEAGE	3.15	126.00
1126A	110sk	Thick Set Cement	14.65	1611.50
1119A	1100"	Kol-Seal 10" w/ff	.36	396.00
1118A	200"	Gel-Flush	.14	28.00
1111A	50"	Materialize	1.65	82.50
5407A	6.05 Ton	Ton-Mileage Bulk Truck	1.05	254.10
4404	1	4 1/2" Top Rubber Plug	40.00	40.00

RECEIVED
 KANSAS CORPORATION COMMISSION

JAN 12 2007

Post-it® Fax Note 7671

To: Branke From: Michelle

Co./Dept: _____ Co. _____

Phone #: _____ Phone #: _____

Fax #: 913-740-3957 Fax #: _____

CONSERVATION DIVISION		WICHITA, KS	
Sub Total	3378.10	SALES TAX	114.37
ESTIMATED TOTAL	3492.47	DATE	_____

CONFIDENTIAL

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

ORIGINAL

1/11/09
Form ACO-1
September 1999
Form Must Be Typed
AMENDED

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) 748-3960
 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. _____

<u>9/14/2006</u>	<u>9/18/2006</u>	<u>3/1/2007</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

KCC
JAN 11 2007
CONFIDENTIAL

API No. 15 - 125-31181-00-00
 County: Montgomery
 _____ SW NW Sec. 18 Twp. 32 S. R. 17 East West
2158 feet from S / (circle one) Line of Section
340 feet from E / (circle one) Line of Section
 Footages Calculated from Nearest Outside Section Corner:
 (circle one) NE SE NW SW
 Lease Name: Shepherd Well #: 5-18
 Field Name: Coffeyville - Cherryvale
 Producing Formation: Cherokee Coals
 Elevation: Ground: 803' Kelly Bushing: _____
 Total Depth: 1105' Plug Back Total Depth: 1097'
 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 1097'
 feet depth to Surface w/ 110 sx cmt.

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: 6/18/07
 Subscribed and sworn to before me this 18th day of June,
 20 07.
 Notary Public: [Signature]
 Date Commission Expires: 10/14/2008

MARGARET ALLEN
 Notary Public - State of Kansas
 My Appt. Expires _____

KCC Office Use ONLY
 Letter of Confidentiality Attached
 If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution
RECEIVED
 KANSAS CORPORATION COMMISSION
JUN 20 2007

KCC
JAN 11 2007
CONFIDENTIAL

Operator Name: Layne Energy Operating, LLC Lease Name: Shepherd Well #: 5-18
Sec. 18 Twp. 32 S. R. 17 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	444 GL	359
Electric Log Run <i>(Submit Copy)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Excello Shale	599 GL	204
List All E. Logs Run:		V Shale	651 GL	152
Compensated Density Neutron		Mineral Coal	695 GL	108
Dual Induction		Mississippian	1005 GL	-202

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	1097'	Thick Set	110	

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
	See Attached Page		

TUBING RECORD	Size <u>2-3/8"</u>	Set At <u>965'</u>	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr. <u>3/14/2007</u>	Producing Method <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. <u>0</u>	Gas Mcf <u>32</u>	Water Bbls. <u>0</u>	Gas-Oil Ratio
				Gravity

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

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

Production Interval _____

RECEIVED
KANSAS CORPORATION COMMISSION

JUN 20 2007

CONSERVATION DIVISION
HEBARTA KS

KCC
 JAN 11 2007
 CONFIDENTIAL

Operator Name:	Layne Energy Operating, LLC.		
Lease Name:	Shepherd 5-18		
	Sec. 18 Twp. 32S Rng. 17E, Montgomery County		
API:	15-125-31181-00-00		
Shots per Foot	Perforation Record	Acid, Fracture, Shot, Cement Squeeze Record	Depth
Initial Perforations			
4	Rowe 936.5' - 938.5' Weir 778.5' - 782.5'	8200 lbs 20/40 sand 804 bbls water 500 gals 15% HCl acid	778.5' - 938.5'
4	Fleming 695' - 696.5' Croweburg 651.5' - 655' Bevier 631.5' - 634'	12600 lbs 20/40 sand 1180 bbls water 650 gals 15% HCl acid	631.5' - 696.5'
4	Summit 570' - 575' Mulky 598.5' - 604'	15500 lbs 20/40 sand 650 gals 15% HCl acid	570' - 604'

RECEIVED
 KANSAS CORPORATION COMMISSION

JUN 20 2007

CONSERVATION DIVISION
KANSAS

Layne Energy, Inc.

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

1/11/09

June 19, 2007

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

KCC
JAN 11 2007
~~CONFIDENTIAL~~

Re: Amended Well Completion Forms

To Whom It May Concern:

I have enclosed the **amended** ACO-1 form and associated data for the following well:

API # 15-125-31181-00-00
Shepherd 5-18

We respectfully request that all information submitted be kept confidential. 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, please contact me at (913) 748-3960.

Sincerely,

MacLaughlin Darling

MacLaughlin Darling
Engineering Technician

Enclosures

cc: Well File
Field Office



RECEIVED
KANSAS CORPORATION COMMISSION

JUN 20 2007

CONSERVATION DIVISION
WICHITA, KS