

9/13/09

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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

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: M. Brent Natrass
Phone: (913) 748-3960
Contractor: Name: McPherson Drilling
License: 5675

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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>6/23/2006</u> | <u>6/27/2006</u> | <u>5/18/2007</u> |
| Spud Date or Recompletion Date | Date Reached TD | Completion Date or 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 / **(N)** (circle one) Line of Section
1980 feet from E / **(W)** (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE **(NW)** SW
Lease Name: Hosenev 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 21 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 APP INVS 3-5-09
(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: MS Natrass
Title: Agent Date: 9/13/07
Subscribed and sworn to before me this 13 day of September
20 07
Notary Public: MacLaughlin Darling
Date Commission Expires: 1-4-2009

KCC Office Use ONLY
 Letter of Confidentiality Attached
If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution
RECEIVED
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MacLAUGHLIN DARLING
Notary Public - State of Kansas
My Appt. Expires 1-4-2009

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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 <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 | 537 GL 334 |
| Electric Log Run <i>(Submit Copy)</i> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | Excello Shale | 720 GL 151 |
| List All E. Logs Run: | | V Shale | 775 GL 96 |
| Compensated Density Neutron | | Mineral Coal | 831 GL 40 |
| Dual Induction | | Mississippian | 1173 GL -302 |

| 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" | 8.625" | 24 | 21' | Class A | 4 | Type 1 cement |
| Casing | 6.75" | 4.5" | 10.5 | 1266' | Thick Set | 130 | 10# KOL seal @ sx |
| | | | | | | | |

| 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>817'</u> | Packer At | Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Date of First, Resumerd Production, SWD or Enhr.: <u>5/24/2007</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>11</u> | Water Bbls. <u>43</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 _____

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| | | | |
|-----------------------|--|--|-----------------|
| Operator Name: | Layne Energy Operating, LLC. | | |
| Lease Name: | Hoseney 3-16 | | |
| | Sec. 16 Twp. 34S Rng. 16E, Montgomery County | | |
| API: | 15-125-31028-00-00 | | |
| | | | |
| Shots per Foot | Perforation Record | Acid, Fracture, Shot, Cement Squeeze Record | Depth |
| | Initial Perforations | | |
| 4 | Croweburg 779' - 780.5' Bevier 762' - 763.5' Iron Post 747' - 749.5' | 6900 lbs 20/40 sand 556 bbls water 700 gals 15% HCl acid | 747' - 780.5' |
| 4 | Mulky 720' - 724.5' Summit 686.5' - 690' | 7200 lbs 20/40 sand 578 bbls water 450 gals 15% HCl acid | 686.5' - 724.5' |
| | | | |

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Layne Energy, Inc.

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

September 13, 2007

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

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Re: Amended Well Completion Forms

Dear Mr. Bond:

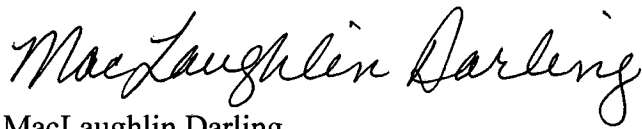
I have enclosed the **amended** ACO-1 form and associated data for the following well:

API # 15-125-31028-00-00
Hoseney 3-16

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
Engineering Technician

Enclosures

cc: Well File
Field Office

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WICHITA, KS

