

7/13/09

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

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. Brent Natrass
Phone: (913) 748-3960
Contractor: Name: Thornton Air Rotary
License: 33606
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. _____
3/19/2007 3/22/2007 Pending
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

ORIGINAL

CONFIDENTIAL

API No. 15 - 049-22454-00-00
County: Eik
SE SE Sec. 31 Twp. 28 S. R. 12 East West
660 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: Kelly Well #: 16-31
Field Name: Cherokee Basin Coal
Producing Formation: Cherokee Coals
Elevation: Ground: 1085' Kelly Bushing: _____
Total Depth: 1775' Plug Back Total Depth: 1748.9'
Amount of Surface Pipe Set and Cemented at 44 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set _____ Feet
If Alternate II completion, cement circulated from 1748.9'
feet depth to Surface w/ 185 sx cm.

Drilling Fluid Management Plan ATTACHED 1-8-09
(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: MB Natrass
Title: Agent Date: 7/13/07
Subscribed and sworn to before me this 13 day of July
07
Notary Public MacLaughlin Darling
Date Commission Expires: 7/4/2009



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

RECEIVED
KANSAS CORPORATION COMMISSION

JUL 16 2007

CONSERVATION DIVISION
WICHITA, KS

Operator Name: Layne Energy Operating, LLC Lease Name: Kelly Well #: 16-31
 Sec. 31 Twp. 28 S. R. 12 East West County: Elk

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>1398 GL</td> <td>-313</td> </tr> <tr> <td>Excello Shale</td> <td>1472 GL</td> <td>-387</td> </tr> <tr> <td>V Shale</td> <td>1540 GL</td> <td>-455</td> </tr> <tr> <td>Mineral Coal</td> <td>0 GL</td> <td>1085</td> </tr> <tr> <td>Mississippian</td> <td>1761 GL</td> <td>-676</td> </tr> </table>	Name	Top	Datum	Pawnee Lime	1398 GL	-313	Excello Shale	1472 GL	-387	V Shale	1540 GL	-455	Mineral Coal	0 GL	1085	Mississippian	1761 GL	-676
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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"	8.625"	24	44'	Class A	10	Type 1 cement
Casing	6.75"	4.5"	10.5	1748.9'	Thick Set	185	#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

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. Pending Completion	Producing Method <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 <input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	METHOD OF COMPLETION <input type="checkbox"/> Open Hole <input type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____	Production Interval
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JUL 16 2007

Daily Well Work Report

KELLY 16-31

3/22/2007

Well Location:
Elk KS
28S-12E-31 SE SE
660FSL / 660FEL

Cost Center G01030400100
Lease Number G010304
Property Code KSEC28S12E3116
API Number 15-049-22454

Spud Date	RDMO Date	First Compl	First Prod	EFM Install	CygnnetID
3/19/2007	3/22/2007	4/30/2007			

TD	PBTD	Sf Csg Depth	Pr Csg Depth	Tbg Size	Csg Size
1775	1748.9	44	1748.9	0	0

Reported By KRD	Rig Number	Date 3/19/2007
Taken By KRD		Down Time
Present Operation Drill Out from under Surface		Contractor Thornton Drilling

Narrative

MIRU Thornton Drilling, drilled 11' hole, 44' deep, rih w/2 jts 8-5/8" surface casing. Mixed 10 sxs type 1 cement, dumped dn the back side. SDFN. DWC \$3,160

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JUL 16 2007

CONSERVATION DIVISION
WICHITA, KS

CONSOLIDATED OIL WELL SERVICES, INC.

P.O. BOX 884, CHANUTE, KS 60720

620-431-9210 OR 800-467-8876

TICKET NUMBER 17111

LOCATION SURCKA

FOREMAN KEVIN MCCOY

TREATMENT REPORT & FIELD TICKET
CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
3-29-07	4758	Kelly 16-31				ELK

CUSTOMER Layne Energy
MAILING ADDRESS P.O. Box 160
CITY Sycamore STATE Ks ZIP CODE

Gus Jones Rig 1

TRUCK #	DRIVER	TRUCK #	DRIVER
445	JUSTIN		
439	JARRID		
434	Jim		
436	SHANNON		

JOB TYPE Longstring HOLE SIZE 6 3/4 HOLE DEPTH 1775' CASING SIZE & WEIGHT 4 1/2 10.5" NEW
CASING DEPTH 1748' DRILL PIPE TUBING OTHER
SLURRY WEIGHT 13.2" SLURRY VOL 58 BBL WATER gall/sk 8-0 CEMENT LEFT IN CASING 0'
DISPLACEMENT 27.8 BBL DISPLACEMENT PSI 700 ~~max~~ PSI 1200 Bump Plugrate

REMARKS: Safety Meeting: Rig up to 2 3/8 Tubing & Bit. use Pit water to Circulate w/ while washing Tubing down from 1400' to TD 1775'. Circulate Hole w/ 60 BBL Gel. Gel had a lot of Solids in it. Switch back to At water. Circulate for 1 Hr. Pull Tubing & Log. Loggers Tagged fill up @ 1749'. Ran 1748' 4 1/2 Casing. Rig up to Cement. Pump 30 BBL water 6 SKS Gel flush, 10 BBL metasilicate Pre flush, 18 BBL Dye water. Mixed 185 SKS Thick Set Cement w/ 10" KOL-SEAL per/sk @ 13.2" per/gal, yield 1.75. wash out Pump & Lines. Shut down. Release Plug. Displace w/ 27.8 BBL Fresh water. FINAL Pumping Pressure 700 PSI. Bump Plug to 1200 PSI. wait 2 minutes. Release Pressure. Float Held. Good Cement Returns to SURFACE = 8 BBL Slurry. Job Complete. Rig down.

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
5401	1	PUMP CHARGE	840.00	840.00
5406	40	MILEAGE	3.30	132.00
5609	3	Pump Time to Condition Open Hole	160.00	480.00
1126 A	185 SKS	THICK Set Cement RECEIVED	15.40	2849.00
1110 A	1850 "	KOL-SEAL 10" PUMPERS CORPORATION COMMISSION	.38 "	703.00
1118 A	300 "	Gel flush JUL 16 2007	.15 "	45.00
1111 A	50 "	Metasilicate Pre Flush CONSERVATION DIVISION WICHITA, KS	1.65 "	82.50
5407 A	10.17 TONS	40 miles BULK TRUCK	1.10	447.48
1118 A	2000 "	Gel to Condition Open Hole	.15 "	300.00
4404	1	4 1/2 Top Rubber Plug	40.00	40.00
5502 C	7 HRS	80 BBL VAC TRUCK # 434	90.00	630.00
5502 C	3 HRS	80 BBL VAC TRUCK # 436	90.00	270.00
1123	10,000 gals	City water	12.80/1000	128.00
		Sub Total		6946.98
		THANK You	6.3%	SALES TAX 261.29
				ESTIMATED TOTAL 7208.27

WITNESSED BY Gus Jones TITLE Contractor DATE

A.O. not named same

1099

GEOLOGIC REPORT

LAYNE ENERGY
Kelly 16-31
SE SE, 660 FSL, 660 FEL
Section 31-T28S-R12E
Elk County, KS

Spud Date: 3/19/2007
Drilling Completed: 3/22/2007
Logged: 3/23/2007
A.P.I. #: 1504922454
Ground Elevation: 1085'
Depth Driller: 1775'
Depth Logger: 1754'
Surface Casing: 8.625 inches at 41'
Production Casing: 4.5 inches at 1748.9'
Cemented Job: 0
Open Hole Logs: Dual Induction SFL/GR, High Resolution
Compensated Density/Neutron

Formation

	Tops	
	(below ground)	(subsea)
Surface		
(Lecompton		
Limestone)		1,085
Shawnee Group		
Pawnee Limestone	1,398	-313
Excello Shale	1,472	-387
"V" Shale	1,540	-455
Mineral Coal	0	1085
Mississippian	1,761	-676

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