

ORIGINAL

CONFIDENTIAL

RECEIVED KANSAS CORPORATION COMMISSION

10-17-08

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

FEB 20 2007

Form ACO-1 September 1999 Form Must Be Typed

WELL COMPLETION FORM

CONSERVATION DIVISION WICHITA, KS

AMENDED

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: KCC
Operator Contact Person: M. B. Natrass
Phone: (913) 748-3987
Contractor: Name: McPherson Drilling
License: 5675

Wellsite Geologist:
Designate Type of Completion:
[X] New Well [] Re-Entry [] Workover
[] Oil [] SWD [] SIOW [] Temp. Abd.
[X] Gas [] ENHR [X] 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.

6/21/2006 6/23/2006 10/23/2006
Spud Date or Date Reached TD Completion Date or Recompletion Date

API No. 15 - 125-31003 - 00-00
County: Montgomery
NE NE Sec. 8 Twp. 34 S. R. 16 [X] 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: Applebaugh Well #: 1-8
Field Name: Jefferson-Sycamore
Producing Formation: Cherokee Coals
Elevation: Ground: 893 Kelly Bushing:
Total Depth: 1363 Plug Back Total Depth: 1350
Amount of Surface Pipe Set and Cemented at 21 Feet
Multiple Stage Cementing Collar Used? [] Yes [X] No
If yes, show depth set Feet
If Alternate II completion, cement circulated from 1350
feet depth to Surface w/ 140 sx cmt.

Drilling Fluid Management Plan D# 11-4-08
(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: MB Natrass
Title: Agent Date: 2/19/2007
Subscribed and sworn to before me this 19 day of February
20 07
Notary Public: Brooke C. Maxfield
Date Commission Expires: 12/28/09

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

NOTARY PUBLIC - State Of Kansas
BROOKE C. MAXFIELD
My Appt. Exp. 12/28/09

Operator Name: Layne Energy Operating, LLC Lease Name: Applebaugh Well #: 1-8
 Sec. 8 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 Yes No
 (Attach Additional Sheets)

Samples Sent to Geological Survey Yes No

Cores Taken Yes No

Electric Log Run Yes No
 (Submit Copy)

List All E. Logs Run:

Compensated Density Neutron
 Dual Induction

| Name | Formation (Top), Depth and Datum | Top | Datum |
|---------------|----------------------------------|---------|-------|
| Pawnee Lime | | 592 GL | 301 |
| Excello Shale | | 780 GL | 113 |
| V Shale | | 834 GL | 59 |
| Mineral Coal | | 884 GL | 9 |
| Mississippian | | 1251 GL | -358 |

KCC
 OCT 17 2006
 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 | # Sacjs Used | Type and Percent Additives |
| Surface | 11 | 8.65 | 24 | 21' | Class A | 4 | Type 1 cement |
| Casing | 6.75 | 4.5 | 10.5 | 1350' | Thick Set | 140 | |
| | | | | | | | |

| 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 |
|----------------|---|---|-------|
| | See Attached | | |
| | | | |
| | | | |
| | | | |

RECEIVED
KANSAS CORPORATION COMMISSION
FEB 20 2007
CONSERVATION DIVISION
WICHITA, KS

| TUBING RECORD | Size | Set At | Packer At | Liner Run |
|--|--|---------|-------------|---|
| | 2 3/8" | 1259' | | <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

Vented Sold Used on Lease Open Hole Perf. Dually Comp. Commingled
 (If vented, Submit ACO-18.) Other (Specify)

RECEIVED
KANSAS CORPORATION COMMISSION

FEB 20 2007

CONSERVATION DIVISION
WICHITA, KS

Operator Name: Layne Energy Operating, LLC.
Lease Name: Applebaugh 1-8
Sec. 8 Twp. 34S Rng. 16E, Montgomery County
API: 15-125-31003

| Shots per Foot | Perforation Record | Acid, Fracture, Shot, Cement Squeeze Record | Depth |
|-----------------------|---------------------------|--|--------------|
| 4 | 1235-1238 | Riverton - 250 gal 15% HCl acid, 116 bbls wtr, 1# Biocide, 5 gal Clay Treat TS, 4 gal Clay Treat PP, 22.5 gal CS-2 | 1235-1238 |

KCC
OCT 17 2006
CONFIDENTIAL

CONFIDENTIAL

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

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. _____
6/21/2006 6/23/2006
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

KCC
OCT 17 2006
CONFIDENTIAL

API No. 15 - 125-31003-00-00
County: Montgomery
_____-_____-NE-NE Sec. 8 Twp. 34 S. R. 16 East West
660 feet from S / (circle one) Line of Section
660 feet from (circle one) W Line of Section
Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Applebaugh Well #: 1-8
Field Name: Jefferson-Sycamore
Producing Formation: Cherokee Coals
Elevation: Ground: 893 Kelly Bushing: _____
Total Depth: 1363 Plug Back Total Depth: 1350
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 1350
feet depth to Surface w/ 140 sx cmt.

Drilling Fluid Management Plan AH II NH 731-08
(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: 10/17/06
Subscribed and sworn to before me this 17 day of October
20 de
Notary Public: Brooke C. Maxfield
Date Commission Expires: 12/28/09

NOTARY PUBLIC -- State Of Kansas
BROOKE 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
OCT 18 2006
CONSERVATION DIVISION
WICHITA, KS

Operator Name: Layne Energy Operating, LLC Lease Name: Applebaugh Well #: 1-8
 Sec. 8 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 | 592 GL 301 |
| Electric Log Run <i>(Submit Copy)</i> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | Excello Shale | 780 GL 113 |
| List All E. Logs Run: | | V Shale | 834 GL 59 |
| Compensated Density Neutron | | Mineral Coal | 884 GL 9 |
| Dual Induction | | Mississippian | 1251 GL -358 |

KCC
OCT 17 2006
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 | # Sacjs Used | Type and Percent Additives |
| Surface | 11 | 8.65 | 24 | 21' | Class A | 4 | Type 1 cement |
| Casing | 6.75 | 4.5 | 10.5 | 1350' | Thick Set | 140 | |

| 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 |
|----------------|---|--|-------|
| | 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. SI-waiting on completion | | Producing Method <input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other <i>(Explain)</i> | | | |
| Estimated Production Per 24 Hours | Oil Bbls. | Gas Mcf | Water Bbls. | 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
OCT 18 2006
CONSERVATION DIVISION
WICHITA, KS

CONSOLIDATED OIL WELL SERVICES, INC.
 P.O. BOX 884, CHANUTE, KS 66720
 620-431-9210 OR 800-467-8676

KCC

OCT 17 2006

CONFIDENTIAL

TREATMENT REPORT & FIELD TICKET
 CEMENT

TICKET NUMBER 10213
 LOCATION Furtka
 FOREMAN Brad Butler

| DATE | CUSTOMER # | WELL NAME & NUMBER | SECTION | TOWNSHIP | RANGE | COUNTY |
|-----------------|------------|--------------------|-----------|----------|---------|------------|
| 6-26-06 | 4758 | Apple Baugh 1-8 | | | | Montgomery |
| CUSTOMER | | | Gus Jones | | | |
| MAILING ADDRESS | | | TRUCK # | DRIVER | TRUCK # | DRIVER |
| Layne Energy | | | 463 | Alan | | |
| P.O. Box 160 | | | 502 | Kyle | | |
| CITY | | | 436 | J.P. | | |
| STATE | | | | | | |
| ZIP CODE | | | | | | |
| Sycamore, Ks. | | | | | | |

JOB TYPE Longstring HOLE SIZE 6 3/4" HOLE DEPTH 1363' CASING SIZE & WEIGHT 4 1/2" - 10.5/lb
 CASING DEPTH 1350' DRILL PIPE _____ TUBING _____ OTHER _____
 SLURRY WEIGHT 13.2 SLURRY VOL 44 Bbls WATER gal/sk 80 CEMENT LEFT in CASING 0'
 DISPLACEMENT 2 1/2 Bbl DISPLACEMENT PSI 1000 PSI 1700 Bump Plug RATE _____

REMARKS: Safety Meeting: Rig up to 4 1/2" casing. Break circulation - wash casing down 100'. Pumped 10 Bbl Gel Flush, 5 Bbl water spacer, 10 Bbl Metasilicate. Prof flush. Pumped water - brought Gel strand to surface. To condition hole - Total Pumped 130 Bbls water. Rig up cement head - Pumped 20 Bbls water ahead. 12 Bbl Dry water. Mixed 140 SKs Thick Set cement w/ 10 PPK of KDI-SEAL @ 13.2/lb PPK. (Circulated lots of shale out of hole.) Shut down - washout pump lines - Release Plug - Displace Plug with 2 1/2 Bbls water. Final pumping @ 1000 PSI - Bumped Plug to 1700 PSI - wait 2 minutes - Release Pressure. Float Hold - Good cement returns to surface with 8 Bbl slurry. Job complete - tear down.

"Thank you"

| 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 | 140 SKs | Thick Set cement | 14.65 | 2051.00 |
| 1110A | 1400 lbs | KDI-SEAL 10 PPK | 36 | 504.00 |
| 1118A | 200 lbs | Gel Flush | 14 | 28.00 |
| 1111A | 50 lbs | Metasilicate Prof flush | 1.65 | 82.50 |
| 5407A | 7.7 | Tow 40 miles - Bulk Truck | 1.05 | 323.40 |
| 5302C | 4 Hrs | 80 Bbl. VAC Truck | 90.00 | 360.00 |
| 1123 | 3000 GAL | City water | 12.80 | 38.40 |
| 4404 | 1 | 4 1/2" Top Rubber Plug | 40.00 | 40.00 |
| RECEIVED KANSAS CORPORATION COMMISSION | | | | |
| OCT 18 2006 | | | | |
| | | | Sub Total | 4353.30 |
| | | | SALES TAX 5.3% | 145.43 |
| | | | ESTIMATED TOTAL | 4498.73 |

AUTHORIZATION Called by John Ed TITLE _____ DATE _____

GEOLOGIC REPORT

LAYNE ENERGY
Applebaugh 1-8
NE NE, 660 FNL, 660 FEL
Section 8-T34S-R16E
Montgomery County, KS

Spud Date: 6/21/2006
Drilling Completed: 6/23/2006
Logged: 6/23/2006
A.P.I. #: 1512531003
Ground Elevation: 893'
Depth Driller: 1363'
Depth Logger: 1354'
Surface Casing: 8.625 inches at 21'
Production Casing: 4.5 inches at 1350.4'
Cemented Job: Consolidated
Open Hole Logs: Dual Induction SFL/GR, High Resolution
Compensated Density/Neutron

KCC
OCT 17 2006
CONFIDENTIAL

Formation

Kansas City Group
Pawnee Limestone
Excello Shale
"V" Shale
Mineral Coal
Mississippian

Tops (in feet below ground level)

Surface (Noxie Sandstone)
592
780
834
884
1,251

RECEIVED
KANSAS CORPORATION COMMISSION
OCT 18 2006
CONSERVATION DIVISION
WICHITA, KS

Layne Energy, Inc.

10-17-2008

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

February 19, 2007

RECEIVED
KANSAS CORPORATION COMMISSION

FEB 20 2007

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

CONSERVATION DIVISION
WICHITA, KS

KCC
OCT 17 2006
CONFIDENTIAL

Re: Well Completion Forms

To Whom It May Concern:

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

API # 15-125-31003
Applebaugh 1-8

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) 748-3960.

Best regards,



Brooke C. Maxfield

Enclosures

Cc Well File
Field Office



Layne Energy, Inc.

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

10/17/08

October 17, 2006

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

RECEIVED
KANSAS CORPORATION COMMISSION

OCT 18 2006

CONSERVATION DIVISION
WICHITA, KS

KCC
OCT 17 2006
CONFIDENTIAL

Re: Well Completion Form

To Whom It May Concern:

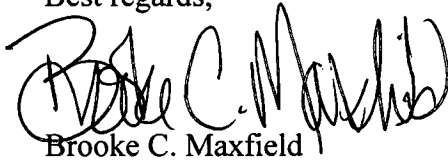
I have enclosed the ACO-1 form and associated data for the following wells:

API # 15-125-31003
Applebaugh 1-8

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

Enclosures

Cc Well File
Field Office

