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RECEIVED KANSAS CORPORATION COMMISSION

8/29/09

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

AUG 30 2007

Form ACO-1 September 1999 Form Must Be Typed

WELL COMPLETION FORM WELL HISTORY - DESCRIPTION OF WELL & LEASE

CONSERVATION DIVISION WICHITA, KS

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: [X] New Well [] Re-Entry [] Workover [] Oil [] SWD [] SLOW [] 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.

5/4/2007 5/5/2007 Pending Spud Date or Recompletion Date Date Reached TD Completion Date or Recompletion Date

API No. 15 - 205-27164-00-00 County: Wilson NW NE NE Sec. 36 Twp. 30 S. R. 16 [X] East [] West 350 feet from S / (N) (circle one) Line of Section 727 feet from (E) W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner: (circle one) (NE) SE NW SW Lease Name: Mahaffey Well #: 1-36 Field Name: Cherokee Basin Coal Area Producing Formation: Cherokee Coals

Elevation: Ground: 927' Kelly Bushing: Total Depth: 803' Plug Back Total Depth: 799' Amount of Surface Pipe Set and Cemented at 20 Feet Multiple Stage Cementing Collar Used? [] Yes [X] No If yes, show depth set Feet If Alternate II completion, cement circulated from 799 feet depth to Surface w/ 140 sx cmt.

Drilling Fluid Management Plan AH# NJ 2/16/09 (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: 8/29/07 Subscribed and sworn to before me this 29 day of August 2007. Notary Public: MacLaughlin Darling Date Commission Expires: 1/4/2009

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



Operator Name: Layne Energy Operating, LLC Lease Name: Mahaffey Well #: 1-36
 Sec. 36 Twp. 30 S. R. 16 East West County: Wilson

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>574 GL</td> <td>353</td> </tr> <tr> <td>Excello Shale</td> <td>696 GL</td> <td>231</td> </tr> <tr> <td>V Shale</td> <td>761 GL</td> <td>166</td> </tr> </table> <div style="text-align: right; margin-top: 20px;"> <p>KCC AUG 29 2007</p> </div>	Name	Top	Datum	Pawnee Lime	574 GL	353	Excello Shale	696 GL	231	V Shale	761 GL	166
Name	Top	Datum											
Pawnee Lime	574 GL	353											
Excello Shale	696 GL	231											
V Shale	761 GL	166											

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"	8.625"	24	20'	Class A	4	Type 1 cement
Casing	6.75"	4.5"	10.5	799'	Thick Set	140	#10 KOL seal @ sx

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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	RECEIVED KANSAS CORPORATION COMMISSION AUG 30 2007 CONSERVATION DIVISION WICHITA, KS	

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.	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 <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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Daily Well Work Report

MAHAFFEY 1-36

5/5/2007

Well Location:
WILSON KS
30S-16E-36 NW NE NE
350FNL / 727FEL

Cost Center C01034800200
Lease Number C010348
Property Code KSCV30S16E3601
API Number 15-205-27164

Spud Date	RDMO Date	First Compl	First Prod	EFM Install	CygnnetID
5/4/2007	5/5/2007				
TD	PBTD	Sf Csg Depth	Pr Csg Depth	Tbg Size	Csg Size
803	799	24	799	0	0

Reported By krd	Rig Number	Date 5/4/2007
Taken By krd		Down Time
Present Operation Drill out from under surface		Contractor Thornton Drilling

Narrative

Miru Thornton Drilling, drilled 11" hole, 20' deep, rih w/ 1 jt 8-5/8" surface casing, mxd 4 sxs type 1 cmt, dumped dn the backside, sdfn.
DWC: \$ 2,880

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

TICKET NUMBER 17426
 LOCATION Euets
 FOREMAN Troy Strickler

TREATMENT REPORT & FIELD TICKET
 CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
5-24-07	4758	Mahaffey 1-36				Wilson
CUSTOMER Layne Energy			Gus Jones			
MAILING ADDRESS P.O. Box 160						
CITY Sycamore	STATE Ks	ZIP CODE				
TRUCK # DRIVER TRUCK # DRIVER						
			445	Justin		
			439	Jarrod		

JOB TYPE Logging HOLE SIZE 7 7/8" HOLE DEPTH 846' CASING SIZE & WEIGHT 4 1/2" 12.5"
 CASING DEPTH 841' DRILL PIPE _____ TUBING _____ OTHER _____
 SLURRY WEIGHT 13.2" SLURRY VOL 448bl WATER gal/sk 8" CEMENT LEFT in CASING 0'
 DISPLACEMENT 13.5bl DISPLACEMENT PSI 600 MIX PSI 1100 Bump Ply RATE _____

REMARKS: Safety Meeting: Rig up to 4 1/2" casing Break Circulation w/ 20bl water.
Pump 4sk Gel Flush, 5bl Water spacer, 108bl Metasilicate Pre-Flush, 30bl
Water. Pump 4bl Dye water. Mixed 140sk Thick set Cement w/ 10" Kol-Seal
@ 13.2" Ppsl. Wash out Pump + lines. Release Plug. Displace w/ 13.5bl
Water. Final Pump Pressure 600 PSI. Bump Plug to 1100 PSI. Wait 2mins.
Release Pressure. Float Held. Good Cement to surface = 68bl Slurry to Bit.
Job Complete.

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ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
5401	1	PUMP CHARGE CONSERVATION DIVISION WICHITA, KS	840.00	840.00
5406	40	MILEAGE	3.30	132.00
1126A	140sk	Thickset Cement	15.40	2156.00
1110A	1400"	Kol-Seal 10" Ppsl	.32"	448.00
1118A	200"	Gel-Flush	.15"	30.00
1111A	50"	Metasilicate Pre-Flush	1.65"	82.50
5407A	7.75m	Ton-Mileage Bulk Truck	1.10	852.50
4404	1	4 1/2" Top Rubber Plug	40.00	40.00
			Sub Total	4151.20
			SALES TAX	178.17
			ESTIMATED TOTAL	4330.25

213697
 AUTHORIZATION Called by Muggs TITLE Co-Rep DATE _____

4330.26

GEOLOGIC REPORT

LAYNE ENERGY
Mahaffey 1-36
NE NE, 350 FNL, 727 FEL
Section 36-T30S-R16E
Wilson County, KS

Spud Date: 5/4/2007
Drilling Completed: 5/5/2007
Logged: 5/5/2007
A.P.I. #: 15205271640000
Ground Elevation: 927'
Depth Driller: 803'
Depth Logger: 803'
Surface Casing: 8.625 inches at 20'
Production Casing: inches at '
Cemented Job: 0
Open Hole Logs: Dual Induction SFL/GR, High Resolution
Compensated Density/Neutron

Formation

	Tops	
	(below ground)	(subsea)
	Surface (Chanute Shale)	927
Kansas City Group		
Pawnee Limestone	574	353
Excello Shale	696	231
"V" Shale	761	166
Mineral Coal	0	927
Mississippian		

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