

CONFIDENTIAL ORIGINAL

KANSAS CORPORATION COMMISSION OIL & GAS CONSERVATION DIVISION

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KANSAS CORPORATION COMMISSION

8/29/09

Form ACO-1 September 1999

Form Must Be Typed

AUG 30 2007

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. Brent Natrass Phone: (913) 748-3960 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.

5/8/2007 5/10/2007 Pending Spud Date or Recompletion Date Date Reached TD Completion Date or Recompletion Date

API No. 15 - 125-31353-00-00 County: Montgomery NE NW Sec. 12 Twp. 32 S. R. 14 [X] East [] West 1107 feet from S / (N) (circle one) Line of Section 1988 feet from E / (W) (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner: (circle one) NE SE (NW) SW Lease Name: Chism W Well #: 3-12 Field Name: Cherokee Basin Coal Area Producing Formation: Cherokee Coals Elevation: Ground: 947' Kelly Bushing: Total Depth: 1504' Plug Back Total Depth: 1497' Amount of Surface Pipe Set and Cemented at 44 Feet Multiple Stage Cementing Collar Used? [] Yes [X] No If yes, show depth set Feet If Alternate II completion, cement circulated from 1497 feet depth to Surface w/ 150 sx cmt.

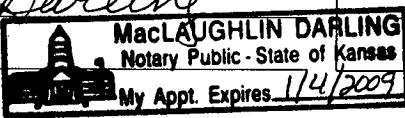
Drilling Fluid Management Plan AFFINS 2-16-09 (Data must be collected from the Reserve Pit) Chloride content N/A ppm Fluid volume bbls Dewatering method used N/A - Air Drilled Location of fluid disposal if hauled offsite: Operator Name: Lease Name: License No.: Quarter Sec. Twp. S. R. [] East [] West 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 this 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: Wireline Log Received Geologist Report Received UIC Distribution



Operator Name: Layne Energy Operating, LLC Lease Name: Chism W Well #: 3-12
 Sec. 12 Twp. 32 S. R. 14 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:70%;">Name</td> <td style="width:15%;">Top</td> <td style="width:15%;">Datum</td> </tr> <tr> <td>Pawnee Lime</td> <td>906 GL</td> <td>41</td> </tr> <tr> <td>Excello Shale</td> <td>1060 GL</td> <td>-113</td> </tr> <tr> <td>V Shale</td> <td>1106 GL</td> <td>-159</td> </tr> <tr> <td>Mineral Coal</td> <td>1151 GL</td> <td>-204</td> </tr> <tr> <td>Mississippian</td> <td>1426 GL</td> <td>-479</td> </tr> </table>	Name	Top	Datum	Pawnee Lime	906 GL	41	Excello Shale	1060 GL	-113	V Shale	1106 GL	-159	Mineral Coal	1151 GL	-204	Mississippian	1426 GL	-479
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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	1497'	Thick Set	150	#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>
	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

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) _____	_____

Daily Well Work Report

CHISM W 3-12

5/10/2007

Well Location:
MONTGOMERY KS
32S-14E-12 NE NW
1107FNL / 1988FWL

Cost Center G01017400100
Lease Number G010174
Property Code KSSY32S14E1203
API Number 15-125-31353

Spud Date	RDMO Date	First Compl	First Prod	EFM Install	CygnnetID
5/8/2007	5/10/2007				

TD	PBTD	Sf Csg Depth	Pr Csg Depth	Tbg Size	Csg Size
1504	1497	44	1497	0	0

Reported By krd	Rig Number	Date 5/8/2007
Taken By krd		Down Time
Present Operation Drill out from under surface		Contractor Mcpherson

Narrative

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

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CONSERVATION DIVISION
WICHITA, KS

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

TICKET NUMBER 17353
 LOCATION EUREKA
 FOREMAN KEVIN MCCOY

TREATMENT REPORT & FIELD TICKET
 CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY																
5-11-07	4758	Chisom 3-12				MC																
CUSTOMER Layne Energy			<table border="1"> <thead> <tr> <th>TRUCK #</th> <th>DRIVER</th> <th>TRUCK #</th> <th>DRIVER</th> </tr> </thead> <tbody> <tr> <td>445</td> <td>CLIFF</td> <td></td> <td></td> </tr> <tr> <td>502</td> <td>SHANNON</td> <td></td> <td></td> </tr> <tr> <td>436</td> <td>JEFF</td> <td></td> <td></td> </tr> </tbody> </table>				TRUCK #	DRIVER	TRUCK #	DRIVER	445	CLIFF			502	SHANNON			436	JEFF		
TRUCK #	DRIVER	TRUCK #					DRIVER															
445	CLIFF																					
502	SHANNON																					
436	JEFF																					
MAILING ADDRESS P.O. Box 160																						
CITY STATE ZIP CODE Sycamore KS																						
Gus Jones Rig 1																						

JOB TYPE Completion HOLE SIZE 6 3/4 HOLE DEPTH 1505' CASING SIZE & WEIGHT 4 1/2 19.5# new
 CASING DEPTH 1497' DRILL PIPE _____ TUBING _____ OTHER _____
 SLURRY WEIGHT 13.2 # SLURRY VOL 47 BBL WATER gal/sk 8.0 CEMENT LEFT in CASING 0'
 DISPLACEMENT 23.8 BBL DISPLACEMENT PSI 700 BUMP PSI 1200 Bump Plug RATE _____

REMARKS: Safety Meeting: Rig up to 4 1/2 casing. BREAK circulation w/ 2 BBL fresh water. Pump 6 sks Gel flush, 10 BBL water spacer 10 BBL Metasilicate. Pre flush, 14 BBL Dye water. Mixed 150 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/ 23.8 BBL fresh water. Final Pumping Pressure 700 PSI. Bump Plug to 1200 PSI. Wait 2 minutes. Release Pressure. Test Hold. Good Cement Returns to Surface = 9 BBL Slurry. Job Complete. Rig down.

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ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
5401	1	PUMP CHARGE	842.00	842.00
5406	40	MILEAGE	3.30	132.00
1126 A	150 SKS	THICK Set Cement	15.40	2310.00
1110 A	1500 "	Kol-Seal 10" per/sk	.38 "	570.00
1118 A	300 "	Gel Flush	.15 "	45.00
1111 A	50 "	Metasilicate Pre Flush	1.65 "	82.50
5407 A	8.25 Tons	40 miles BULK TRUCK	1.10	912.00
5502 C	4 HRS	80 BBL VAC TRUCK	90.00	360.00
1123	3000 gals	City water	12.80/gal	3840.00
4404	1	4 1/2 Top Rubber Plug	40.00	40.00
			Sub Total:	11744.90
THANK YOU			SALES TAX 5.3%	623.56
			ESTIMATED TOTAL	12368.46

AUTHORIZATION Called By Mike Taylor

TITLE Co. Rep.

DATE

4944.46

GEOLOGIC REPORT

LAYNE ENERGY
Chism 3-12
NE NW, 1107 FNL, 1988 FWL
Section 12-T32S-R14E
Montgomery County, KS

RECEIVED
KANSAS CORPORATION COMMISSION

AUG 30 2007

CONSERVATION DIVISION
WICHITA, KS

Spud Date: 5/8/2007
Drilling Completed: 5/10/2007
Logged: 5/10/2007
A.P.I. #: 15125313530000
Ground Elevation: 947'
Depth Driller: 1485'
Depth Logger: 1504'
Surface Casing: 8.625 inches at 44'
Production Casing: inches at '
Cemented Job: 0
Open Hole Logs: Dual Induction SFL/GR, High Resolution
Compensated Density/Neutron

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Formation

Tops

	(below ground)	(subsea)
	Surface (South	
	Bend Limestone	
Lansing Group	Member)	947
Pawnee Limestone	906	41
Excello Shale	1,060	-113
"V" Shale	1,106	-159
Mineral Coal	1,151	-204
Mississippian	1,426	-479