

ORIGINAL

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

RECEIVED
KANSAS CORPORATION COMMISSION

AUG 17 2007

Form ACO-1
September 1999
Form Must Be Typed

8/16/07

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. _____

4/20/2007 4/24/2007 6/22/2007
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 125-31330-00-00

County: Montgomery

_____ SW _____ NE Sec. 10 Twp. 33 S. R. 16 East West

1882 feet from S / N (circle one) Line of Section

2249 feet from E W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:

(circle one) NE SE NW SW

Lease Name: McMillin Well #: 7-10

Field Name: Cherokee Basin Coal Area

Producing Formation: Cherokee Coals

Elevation: Ground: 755' Kelly Bushing: _____

Total Depth: 1145' Plug Back Total Depth: 1139'

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 1139'

feet depth to Surface w/ 120 sx cm.

Drilling Fluid Management Plan AK 4 NJ 22309
(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: M. Brent Natrass

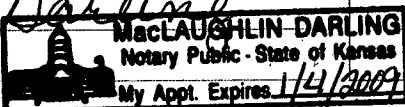
Title: Agent Date: 8/16/07

Subscribed and sworn to before me this 16 day of August

20 07

Notary Public: MacLushlin 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

Operator Name: Layne Energy Operating, LLC Lease Name: McMillin Well #: 7-10
 Sec. 10 Twp. 33 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 <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>449 GL</td> <td>306</td> </tr> <tr> <td>Excello Shale</td> <td>616 GL</td> <td>139</td> </tr> <tr> <td>V Shale</td> <td>667 GL</td> <td>88</td> </tr> <tr> <td>Mineral Coal</td> <td>713 GL</td> <td>42</td> </tr> <tr> <td>Mississippian</td> <td>1051 GL</td> <td>-296</td> </tr> </table>	Name	Top	Datum	Pawnee Lime	449 GL	306	Excello Shale	616 GL	139	V Shale	667 GL	88	Mineral Coal	713 GL	42	Mississippian	1051 GL	-296
Name	Top	Datum																	
Pawnee Lime	449 GL	306																	
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Mineral Coal	713 GL	42																	
Mississippian	1051 GL	-296																	

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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	# Sacs Used	Type and Percent Additives
Surface	11"	8.625"	24	44'	Class A	40	Type 1 cement
Casing	6.75"	4.5"	10.5	1139'	Thick Set	120	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	RECEIVED KANSAS CORPORATION COMMISSION AUG 17 2007 CONSERVATION DIVISION WICHITA, KS	

TUBING RECORD	Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	2-3/8"	1033'		
Date of First, Resumerd Production, SWD or Enhr.		Producing Method		
6/26/2007		<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.	Gas Mcf	Water Bbls.	Gas-Oil Ratio Gravity
	0	32	2	

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) _____

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CONSERVATION DIVISION
WICHITA, KS

Operator Name:	Layne Energy Operating, LLC.		
Lease Name:	McMillin 7-10		
	Sec. 10 Twp. 33S Rng. 16E, Montgomery County		
API:	15-125-31330-00-00		
Shots per Foot	Perforation Record	Acid, Fracture, Shot, Cement Squeeze Record	Depth
Initial Perforations			
4	Rowe 987.5' - 990'	2000 lbs 20/40 sand 210 bbls water 450 gals 15% HCl acid	987.5' - 990'
4	Bluejacket 837' - 839.5' Weir 807.5' - 812' Tebo 770' - 773.5'	5800 lbs 20/40 sand 659 bbls water 1260 gals 15% HCl acid	770' - 839.5'
4	Mineral 712' - 715' Croweburg 667' - 671.5'	7800 lbs 20/40 sand 518 bbls water 800 gals 15% HCl acid	667' - 715'
4	Iron Post 642' - 644' Mulky 615' - 621' Summit 584' - 589'	6900 lbs 20/40 sand 690 bbls water 1000 gals 15% HCl acid	584' - 644'

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CONSERVATION DIVISION
WICHITA, KS

Daily Well Work Report

MCMILLIN 7-10

4/24/2007

Well Location:
MONTGOMERY KS
33S-16E-10 SW NE
1882FNL / 2249FEL

Cost Center G01025800100
Lease Number G010258
Property Code KSDC33S16E1007
API Number 15-125-31330

Spud Date	RDMO Date	First Compl	First Prod	EFM Install	CygnetsID
4/20/2007	4/24/2007	6/22/2007	6/26/2007	6/27/2007	MCMILLIN_7_10
TD	PBTD	Sf Csg Depth	Pr Csg Depth	Tbg Size	Csg Size
1145	1139	44	1139		

Reported By KRD	Rig Number	Date 4/20/2007
Taken By KRD		Down Time
Present Operation Drill Under Surface		Contractor McPherson Drilling

Narrative

MIRU McPherson Drilling, drilled 11' hole, 44' deep, rih w/2 jts 8-5/8" surface casing. RD DR, RU Consolidated to 8-5/8" casing. Break circulation w/10 bbls fresh water, mixed 40 sks Class "A" cement w/2% Caclz, 2% gel, 1/4# Flocele per sk @ 14.8# per /gal, yield 1.35. Displace w/2 bbls fresh water. Shut casing in. RD MOL. Good cement returns to surface. DWC: \$ 4,826

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

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TICKET NUMBER 17269
LOCATION EUREKA
FOREMAN KEVIN MCCOY

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TREATMENT REPORT & FIELD TICKET
CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY	
4-20-07	4758	McMILLIN 7-10				MG	
CUSTOMER		Mailing Address		TRUCK #		DRIVER	
LAYNE Energy		P.O. Box 160		445		JUSTIN	
CITY		STATE		TRUCK #		DRIVER	
SYCAMORE		KS		479		SHANNON	
ZIP CODE		HOLE SIZE		HOLE DEPTH		CASING SIZE & WEIGHT	
		11"		46'		8 5/8"	
JOB TYPE		DRILL PIPE		TUBING		OTHER	
SURFACE							
CASING DEPTH		SLURRY WEIGHT		SLURRY VOL		WATER gal/sk	
44'		14.8 #		9.5 BBL		6.5	
DISPLACEMENT		DISPLACEMENT PSI		MIX PSI		RATE	
2 BBL							

REMARKS: SAFETY Meeting: Rig up to 8 5/8 casing. Break circulation w/ 10 BBL fresh water. mixed 40 SKS CLASS "A" Cement w/ 2% CaCl2, 2% GEL, 1/4" Floccle per/sk @ 14.8 # per/gal, yield 1.35. Displace w/ 2 BBL fresh water. Start casing in. Good Cement Returns to Surface.

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ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
54015	1	PUMP CHARGE		
5406	40	MILEAGE	650.00	650.00
			3.30	132.00
11045	40 SKS	CLASS "A" Cement	12.20	488.00
1102	75 #	CaCl2 2%	.67	50.25
1118 A	75 #	GEL 2%	.15	11.25
1107	10 #	Floccle 1/4" per/sk	1.90	19.00
5407	1.88 Tons	Ton Mileage Bulk Truck	1716	285.00
		THANK YOU		
		5.3%		
		Sub Total		1635.50
		SALES TAX		30.13
		ESTIMATED TOTAL		1665.63

AUTHORIZATION Called By Nick

TITLE McPherson Delg.

DATE

2 photos
114'

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

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TICKET NUMBER 17282
LOCATION ELGIN
FOREMAN Rex Larson

TREATMENT REPORT & FIELD TICKET
CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
4-25-07	4758	McMillian 7-10				MC
CUSTOMER <u>Layne Energy</u>			TRUCK #	DRIVER	TRUCK #	DRIVER
MAILING ADDRESS <u>P.O. Box 160</u>			<u>463</u>	<u>Kyle</u>		
CITY <u>Sycamore</u>			<u>479</u>	<u>JEFF</u>		
STATE <u>KS</u>			<u>436</u>	<u>J.P.</u>		
ZIP CODE						

JOB TYPE Logging HOLE SIZE 6 3/4" HOLE DEPTH 1195' CASING SIZE & WEIGHT 4 1/2" 12.5"
 CASING DEPTH 1139' DRILL PIPE _____ TUBING _____ OTHER _____
 SLURRY WEIGHT 13.2# SLURRY VOL 37 Bbl WATER gal/sk 8.0 CEMENT LEFT IN CASING 0'
 DISPLACEMENT 18.1' DISPLACEMENT PSI 500 ~~800~~ PSI 1000 RATE _____

REMARKS: Safety meeting- Rig up to 4 1/2" casing. Break circulation w/ 20 gal
fresh water, Pump 4 ses gel-flush, 1 sk metasilicate pre-flush, 10 Bbl
fresh water spacer, 9 Bbl dye water. Mixed 120 ses thickset cement
w/ 10# Kol-seal @ 13.2# / gal. Washout pump & lines, shut down, release
plug. Displace w/ 18.1' Bbl fresh water. Final pump pressure 500 psi. Borehole
to 1000 psi wait 2 mins. release pressure, float held. Good cement to bottom.
7 Bbl slurry to pit. Job complete. Rig down.

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"Thank You"

CONSERVATION DIVISION
WICHITA, KS

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
1126A	120 ses	thickset cement	15.40	1848.00
1110A	1200 #	Kol-seal 10# / gal	.58	696.00
1117A	200 #	gel-flush	.15	30.00
1111A	50 #	metasilicate pre-flush	1.65	82.50
5407A	6.6	ten-mileage bulk tax	1.10	72.60
5502C	3 hrs	80 Bbl VAC. TAX	90.00	270.00
1123	3000 gals	city water	12.90	387.00
4404	1	4 1/2" top rubber plug	40.00	40.00
			5.58	
			SUBTOTAL	4047.30
			SALES TAX	139.23
			ESTIMATED TOTAL	4186.53

213800

AUTHORIZATION _____ TITLE _____ DATE _____

4159.53

GEOLOGIC REPORT

LAYNE ENERGY
McMillin 7-10
SW NE, 1882 FNL, 2249 FEL
Section 10-T33S-R16E
Montgomery County, KS

Spud Date: 4/20/2007
Drilling Completed: 4/24/2007
Logged: 4/24/2007
A.P.I. #: 15125313300000
Ground Elevation: 755'
Depth Driller: 1145'
Depth Logger: 1142'
Surface Casing: 8.625 inches at 45'
Production Casing: 4.5 inches at 1139'
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 (Drum	
Kansas City Group	Limestone)	755
Pawnee Limestone	449	306
Excello Shale	616	139
"V" Shale	667	88
Mineral Coal	713	42
Mississippian	1,051	-296

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