

CONFIDENTIAL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL

9/18/09

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. Brent Natrass
Phone: (913) 748-3960
Contractor: Name: Thornton Air Rotary
License: 33606
Wellsite Geologist: _____

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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. _____

<u>5/23/2007</u>	<u>5/24/2007</u>	<u>Pending</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 125-31368-00-00
County: Montgomery
 - - N2 - SW Sec. 28 Twp. 31 S. R. 17 East West
1974 feet from N (circle one) Line of Section
1165 feet from E / W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Racy Well #: 12-28
Field Name: Cherokee Basin Coal Area
Producing Formation: Cherokee Coals
Elevation: Ground: 916' Kelly Bushing: _____
Total Depth: 1186' Plug Back Total Depth: 1181'
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 1181
feet depth to Surface w/ 125 sx cmt.

Drilling Fluid Management Plan At # NS 27909
(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: [Signature]
Title: Agent Date: 9/17/07
Subscribed and sworn to before me this 17 day of September,
2007.
Notary Public: MacLaughlin 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
RECEIVED
KANSAS CORPORATION COMMISSION

MacLAUGHLIN DARLING
Notary Public - State of Kansas
My Appt. Expires 1-4-2009

SEP 18 2007

CONSERVATION DIVISION
WICHITA, KS

Operator Name: Layne Energy Operating, LLC Lease Name: Racy Well #: 12-28
 Sec. 28 Twp. 31 S. R. 17 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>519 GL</td> <td>397</td> </tr> <tr> <td>Excello Shale</td> <td>673 GL</td> <td>243</td> </tr> <tr> <td>V Shale</td> <td>729 GL</td> <td>188</td> </tr> <tr> <td>Mineral Coal</td> <td>773 GL</td> <td>143</td> </tr> <tr> <td>Mississippian</td> <td>1079 GL</td> <td>-163</td> </tr> </table>	Name	Top	Datum	Pawnee Lime	519 GL	397	Excello Shale	673 GL	243	V Shale	729 GL	188	Mineral Coal	773 GL	143	Mississippian	1079 GL	-163
Name	Top	Datum																	
Pawnee Lime	519 GL	397																	
Excello Shale	673 GL	243																	
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Mineral Coal	773 GL	143																	
Mississippian	1079 GL	-163																	

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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	21'	Class A	4	Type 1 cement
Casing	6.75"	4.5"	10.5	1181'	Thick Set	125	#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
	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.		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) _____	_____

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CONSERVATION DIVISION
 WICHITA, KS

GEOLOGIC REPORT

LAYNE ENERGY
Racy 12-28
NW SW, 1974 FSL, 1165 FWL
Section 28-T31S-R17E
Montgomery County, KS

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Spud Date: 5/23/2007
Drilling Completed: 5/24/2007
Logged: 5/24/2007
A.P.I. #: 15125313680000
Ground Elevation: 916'
Depth Driller: 1186'
Depth Logger: 1186'
Surface Casing: 8.625 inches at 21'
Production Casing: 4.5 inches at 1181'
Cemented Job: 0
Open Hole Logs: Dual Induction SFL/GR, High Resolution
Compensated Density/Neutron

Formation	Tops	
	(below ground)	(subsea)
	Surface (Nellie Bly Formation)	916
Kansas City Group		
Pawnee Limestone	519	397
Excello Shale	673	243
"V" Shale	729	188
Mineral Coal	773	143
Mississippian	1,079	-163

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CONSERVATION DIVISION
WICHITA, KS

Daily Well Work Report

RACY 12-28
5/24/2007

Well Location:
MONTGOMERY KS
31S-17E-28 N2 SW
1974FSL / 1165FWL

Cost Center
Lease Number
Property Code
API Number

C01018700100
C010187
KSCV31S17E2812
15-125-31368

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Spud Date	RDMO Date	First Compl	First Prod	EFM Install	CygnnetID
5/22/2007	5/24/2007				
TD	PBTD	Sf Csg Depth	Pr Csg Depth	Tbg Size	Csg Size
1186	1181	21	1181	0	0

Reported By krd	Rig Number	Date 5/23/2007
Taken By krd		Down Time
Present Operation Drill out surface		Contractor Thornton

Narrative

Miru Thornton Drilling, drilled 11 hole, 21' 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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WICHITA, KS

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

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TICKET NUMBER 17407
 LOCATION EUREKA
 FOREMAN KEVIN MCCOY

TREATMENT REPORT & FIELD TICKET
 CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY	
5-25-07	4758	Racey 12-28				MS	
CUSTOMER Layne Energy			Gus Jones				
MAILING ADDRESS P.O. Box 160							
CITY Sycamore		STATE KS	ZIP CODE	TRUCK #	DRIVER	TRUCK #	DRIVER
				445	Justin		
				439	Jearid		

JOB TYPE Longstring HOLE SIZE 6 3/4 HOLE DEPTH 1186' CASING SIZE & WEIGHT 4 1/2 10.5" new
 CASING DEPTH 1182' DRILL PIPE _____ TUBING _____ OTHER _____
 SLURRY WEIGHT 13.2 # SLURRY VOL 39 BBL WATER gal/sk 8.0 CEMENT LEFT in CASING 0'
 DISPLACEMENT 18.6 BBL DISPLACEMENT PSI 700 PSI 1100 Bump Plug RATE _____

REMARKS: Safety Meeting: Rig up to 4 1/2 casing. Break circulation of 25 BBL fresh water. Pump 4 SKS Gel Flush, 10 BBL water spacer, 10 BBL Metasilicate Pre Flush, 10 BBL Dye water. Mixed 125 SKS Thick Set Cement w/ 10" Kol-Seal per/sk @ 13.2 # per/gal, yield 1.75. Wash out Pump & Lines. Shut down. Bump Plug. Displace w/ 18.6 BBL Fresh water. Final Pumping Pressure 700 psi. Bump Plug to 1100 PSI. Wait 2 minutes. Release Pressure. Float Held. Good Cement Returns to Surface = 9 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 1 st well of 2	3.30	132.00
1126 A	125 SKS	THICK SET Cement	15.40	1925.00
1110 A	1250 *	KOL-SEAL 10" per/sk	.30	375.00
1118 A	200 *	Gel Flush	.15	30.00
1111 A	50 *	Metasilicate Pre Flush	1.65	82.50
5407 A	6.87 Tons	40 miles Bulk Truck	1.10	755.70
4404	1	4 1/2" Top Rubber Plug	40.00	40.00
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THANK YOU			5.3%	
			SALES TAX	124.29
			ESTIMATED TOTAL	3762.07

AUTHORIZATION Called By MUR TAYLOR

TITLE Co. Rep.

DATE 3962.07

23131