

CONFIDENTIAL

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

ORIGINAL

10/31/09  
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: Timothy H. Wright  
Phone: (913) 748-3960  
Contractor Name: McPherson Drilling  
License: 5675

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. \_\_\_\_\_

<u>8/1/2007</u>	<u>8/2/2007</u>	<u>9/5/2007</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 125-31413-00-00

County: Montgomery

SE NW Sec. 35 Twp. 31 S. R. 16  East  West

1819 feet from S / (N) (circle one) Line of Section

1998 feet from E / (W) (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:

(circle one) NE SE (NW) SW

Lease Name: Eastep Well #: 6-35

Field Name: Cherokee Basin Coal Area

Producing Formation: Cherokee Coals

Elevation: Ground: 903' Kelly Bushing: \_\_\_\_\_

Total Depth: 1230' Plug Back Total Depth: 1223'

Amount of Surface Pipe Set and Cemented at 20 Feet

Multiple Stage Cementing Collar Used?  Yes  No

If yes, show depth set \_\_\_\_\_ Feet

If Alternate II completion, cement circulated from 1223

feet depth to Surface w/ 130 sx cmt.

Drilling Fluid Management Plan AH INJ 31109  
(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: 10-31-07

Subscribed and sworn to before me this 31 day of October

20 07

Notary Public: MacLaughlin Darling

Date Commission Expires: 1-4-2009

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

KCC Office Use ONLY

Letter of Confidentiality Attached  
 If Denied, Yes  Date: RECEIVED  
 Wireline Log Received **KANSAS CORPORATION COMMISSION**  
 Geologist Report Received **NOV 01 2007**  
 UIC Distribution

CONSERVATION DIVISION  
WICHITA, KS

Operator Name: Layne Energy Operating, LLC Lease Name: Eastep Well #: 6-35  
 Sec. 35 Twp. 31 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>596 GL</td> <td>307</td> </tr> <tr> <td>Excello Shale</td> <td>744 GL</td> <td>159</td> </tr> <tr> <td>V Shale</td> <td>792 GL</td> <td>111</td> </tr> <tr> <td>Mineral Coal</td> <td>838 GL</td> <td>65</td> </tr> <tr> <td>Mississippian</td> <td>1146 GL</td> <td>-243</td> </tr> </table>	Name	Top	Datum	Pawnee Lime	596 GL	307	Excello Shale	744 GL	159	V Shale	792 GL	111	Mineral Coal	838 GL	65	Mississippian	1146 GL	-243
Name	Top	Datum																	
Pawnee Lime	596 GL	307																	
Excello Shale	744 GL	159																	
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Mineral Coal	838 GL	65																	
Mississippian	1146 GL	-243																	

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	20'	Class A	8	Type 1 cement
Casing	6.75"	4.5"	10.5	1223'	Thick Set	130	#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				

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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		

TUBING RECORD		Size <u>2-3/8"</u>	Set At <u>1104'</u>	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr. <u>9/13/2007</u>		Producing Method <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. <u>0</u>	Gas Mcf <u>8</u>	Water Bbls. <u>&lt;1</u>	Gas-Oil Ratio	Gravity

Disposition of Gas <input type="checkbox"/> Vented <input checked="" 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 checked="" type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input checked="" type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____	Production Interval <div style="text-align: right;"> <b>RECEIVED</b>  <b>KANSAS CORPORATION COMMISSION</b>  <hr/> <b>NOV 01 2007</b>                      CONSERVATION DIVISION                      WICHITA, KS                 </div>
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<b>Operator Name:</b>	Layne Energy Operating, LLC.		
<b>Lease Name:</b>	Eastep 6-35		
	Sec. 35 Twp. 31S Rng. 16E, Montgomery County		
<b>API:</b>	15-125-31413-00-00		
<b>Shots per Foot</b>	<b>Perforation Record</b>	<b>Acid, Fracture, Shot, Cement Squeeze Record</b>	<b>Depth</b>
<b>Initial Perforations</b>			
4	Rowe 1076' - 1077.5' Weir 960' - 961'	1300 lbs 20/40 sand 241 bbls water 800 gals 15% HCl acid	960' - 1077.5'
4	Mineral 837.5' - 840.5' V-Shale 794' - 796' Iron Post 776.5' - 778'	8300 lbs 20/40 sand 561 bbls water 530 gals 15% HCl acid	776.5' - 840.5'
4	Mulky 744' - 749' Summit 717.5' - 720'	10000 lbs 20/40 sand 666 bbls water 650 gals 15% HCl acid	717.5' - 749'

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**GEOLOGIC REPORT**

LAYNE ENERGY  
Eastep 6-35  
SE NW, 1819 FNL, 1998 FWL  
Section 35-T31S-R16E  
Montgomery County, KS

Spud Date: 8/1/2007  
Drilling Completed: 8/2/2007  
Logged: 8/2/2007  
A.P.I. #: 15125314130000  
Ground Elevation: 903'  
Depth Driller: 1230'  
Depth Logger: 1230'  
Surface Casing: 8.625 inches at 22'  
Production Casing: 4.5 inches at 1223'  
Cemented Job: 0  
Open Hole Logs: Dual Induction SFL/GR, High Resolution  
Compensated Density/Neutron

**Formation**

	<b>Tops</b>	
	<b>(below ground)</b>	<b>(subsea)</b>
	Surface (Noxie	
Kansas City Group	Sandstone)	903
Pawnee Limestone	596	307
Excello Shale	744	159
"V" Shale	792	111
Mineral Coal	838	65
Mississippian	1,146	-243

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

TICKET NUMBER 12339  
 LOCATION EUREKA  
 FOREMAN Rock Leppard

TREATMENT REPORT & FIELD TICKET  
 CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
8-3-07	4758	ESTEP <del>6-35</del> 6-35				MO
CUSTOMER LAME Energy			TRUCK # DRIVER TRUCK # DRIVER			
MAILING ADDRESS P.O. Box 1100			463 Kyle			
CITY STATE ZIP CODE Syracuse KS			439 Jarrid			

JOB TYPE logstring HOLE SIZE 6 3/4" HOLE DEPTH 1230' CASING SIZE & WEIGHT 4 1/2" 10.5"  
 CASING DEPTH 1225' DRILL PIPE \_\_\_\_\_ TUBING \_\_\_\_\_ OTHER \_\_\_\_\_  
 SLURRY WEIGHT 13.2" SLURRY VOL 40 Bbl WATER gal/sk 8.0 CEMENT LEFT in CASING 0'  
 DISPLACEMENT 19 1/2 Bbl DISPLACEMENT PSI 500 MIX PSI 1000 RATE \_\_\_\_\_

REMARKS: Safety meeting. Rig up to 4 1/2" casing. Break circulation w/ 25 Bbl fresh water. Pump 8 sds gel-flush w/ bulls, 5 Bbl water spacer, 20 Bbl metasilicate pre-flush, 9 Bbl dye water. Mixed 130 sds thickset cement w/ 10" Kol-seal <sup>100</sup> @ 13.2" <sup>100</sup> gal. Washout pump + lines shut down, release plug. Displace w/ 19 1/2 Bbl fresh water. Final pump pressure 500 PSI. Pump plug to 1000 PSI wait 2 minutes, release pressure, float held. Good cement returns to surface = 7 Bbl slurry to pit. Job complete Rig down.

"Thank You"

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	130 sds	thickset cement	15.40	2002.00
1110A	1300 "	Kol-seal 10" <sup>100</sup> gal	.38	494.00
1118A	400 "	gel-flush	.15	60.00
1105	50 "	bulls	.36	18.00
1102	20 "	CACL2	.67	53.60
1111A	100 "	metasilicate pre-flush	1.65	165.00
4404	1	4 1/2" top rubber plug	40.00	40.00
5402A	7.15	ten-milage bulk <sup>40</sup> gal	1.10	314.60
			5.38	4119.20
				SALES TAX 150.13
				ESTIMATED TOTAL 4269.33

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AUTHORIZATION called by Missor TITLE Co. Rep. DATE \_\_\_\_\_

# Daily Well Work Report

EASTEP 6-35

8/2/2007

**Well Location:**  
MONTGOMERY KS  
31S-16E-35 SE NW  
1819FNL / 1998FWL

**Cost Center** C01031300500  
**Lease Number** C010313  
**Property Code** KSCV31S16E3506  
**API Number** 15-125-31413

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Spud Date	RDMO Date	First Compl	First Prod	EFM Install	CygnetsID
8/1/2007	8/2/2007	9/5/2007	9/13/2007	9/13/2007	EASTEP_6_35

TD	PBTD	Sf Csg Depth	Pr Csg Depth	Tbg Size	Csg Size
1230	1223	20	1223		

<b>Reported By</b> krd	<b>Rig Number</b>	<b>Date</b> 8/1/2007
<b>Taken By</b> krd		<b>Down Time</b>
<b>Present Operation</b> Drill out from under surface		<b>Contractor</b> Mcpherson

## Narrative

MIRU McPherson Drilling, drilled 11' hole, 20' deep, rih w/1jt 8-5/8" surface casing. Mixed 8 sxs type 1 cement, dumped dn the back side. SDFN.

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