

CONFIDENTIAL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL

10/23/09
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: Thornton Air Rotary
License: 33606

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. _____

7/12/2007 7/13/2007 8/31/2007
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 125-31398-00-00
County: Montgomery
____ - ____ - SW - SE Sec. 23 Twp. 31 S. R. 16 East West
404 feet from S / N (circle one) Line of Section
2042 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 #: 15-23
Field Name: Cherokee Basin Coal Area

Producing Formation: Cherokee Coals
Elevation: Ground: 837' Kelly Bushing: _____
Total Depth: 1144' Plug Back Total Depth: 1137'
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 1137
feet depth to Surface w/ 120 sx cmt.

Drilling Fluid Management Plan ATJW 3-11-09
(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: [Signature]
Title: Agent Date: 10-22-07
Subscribed and sworn to before me this 22 day of October,
2007.
Notary Public: MacLaughlin Darling
Date Commission 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 **OCT 24 2007**
WIC Distribution
CONSERVATION DIVISION
WICHITA, KS

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

Operator Name: Layne Energy Operating, LLC Lease Name: Eastep Well #: 15-23
 Sec. 23 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>516 GL</td> <td>321</td> </tr> <tr> <td>Excello Shale</td> <td>666 GL</td> <td>171</td> </tr> <tr> <td>V Shale</td> <td>718 GL</td> <td>119</td> </tr> <tr> <td>Mineral Coal</td> <td>761 GL</td> <td>76</td> </tr> <tr> <td>Mississippian</td> <td>1048 GL</td> <td>-211</td> </tr> </table>	Name	Top	Datum	Pawnee Lime	516 GL	321	Excello Shale	666 GL	171	V Shale	718 GL	119	Mineral Coal	761 GL	76	Mississippian	1048 GL	-211
Name	Top	Datum																	
Pawnee Lime	516 GL	321																	
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Mississippian	1048 GL	-211																	

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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	20'	Class A	4	Type 1 cement
Casing	6.75"	4.5"	10.5	1137'	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>
	See Attached Page	Depth

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TUBING RECORD	Size <u>2-3/8"</u>	Set At <u>1029'</u>	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr. <u>9/12/2007</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>5</u>	Water Bbls. <u>10</u>	Gas-Oil Ratio

Disposition of Gas Vented Sold Used on Lease *(If vented, Submit ACO-18.)*

METHOD OF COMPLETION Open Hole Perf. Dually Comp. Commingled Other (Specify) _____

Production Interval _____

Operator Name:	Layne Energy Operating, LLC.		
Lease Name:	Easstep 15-23		
	Sec. 23 Twp. 31S Rng. 16E, Montgomery County		
API:	15-125-31398-00-00		
Shots per Foot	Perforation Record	Acid, Fracture, Shot, Cement Squeeze Record	Depth
Initial Perforations			
4	Rowe 981.5' - 983.5' Weir 836' - 839.5'	6300 lbs 20/40 sand 966 bbls water 565 gals 15% HCl acid	836' - 983.5'
4	Scammon 775' - 776.5' Mineral 760' - 761.5' V-Shale 718' - 721.5'	8700 lbs 20/40 sand 656 bbls water 700 gals 15% HCl acid	718' - 776.5'
4	Iron post 695' - 697.5' Mulky 666' - 672' Summit 641' - 645'	10700 lbs 20/40 sand 700 bbls water 1000 gals 15% HCl acid	641' - 697.5'

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GEOLOGIC REPORT

LAYNE ENERGY
Eastepp 15-23
SW SE, 404 FSL, 2042 FEL
Section 23-T31S-R16E
Montgomery County, KS

Spud Date: 7/12/2007
Drilling Completed: 7/13/2007
Logged: 7/13/2007
A.P.I. #: 15125313980000
Ground Elevation: 837'
Depth Driller: 1144'
Depth Logger: 1143'
Surface Casing: 8.625 inches at 21'
Production Casing: 4.5 inches at 1141'
Cemented Job: Consolidated
Open Hole Logs: Dual Induction SFL/GR, High Resolution
Compensated Density/Neutron

Formation	Tops	
	(below ground)	(subsea)
	Surface (Nelly Bly Formation)	837
Kansas City Group	516	321
Pawnee Limestone	666	171
Excello Shale	718	119
"V" Shale	761	76
Mineral Coal	1,048	-211
Mississippian		

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WCMCA KS

CONSOLIDATED OIL WELL SERVICES, INC.
 P.O. BOX 884, CHANUTE, KS 66720
 620-431-9210 OR 800-467-8678

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TICK NUMBER 12118
 LOCATION EUREKA
 FOREMAN RICK LEONARD

TREATMENT REPORT & FIELD TICKET
 CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
7-16-07	4758	ESTEP 15-23				MC
CUSTOMER LANE Energy			Gus Jones			
MAILING ADDRESS P.O. Box 160			TRUCK #	DRIVER	TRUCK #	DRIVER
CITY Sycamore			4163	Kyle		
STATE KS			437	Jarrod		
ZIP CODE			436	Jim		

JOB TYPE logstring HOLE SIZE 6 7/8" HOLE DEPTH 1144' CASING SIZE & WEIGHT 4 1/2" 10.5"
 CASING DEPTH 1141' DRILL PIPE _____ TUBING _____ OTHER _____
 SLURRY WEIGHT 13.2" SLURRY VOL 37 Bbl WATER gall/sk 8.0 CEMENT LEFT IN CASING 0'
 DISPLACEMENT 18' Bbl DISPLACEMENT PSI 500 PSI 1000 RATE _____

REMARKS: Safety meeting - Rig up to 4 1/2" casing. Break circulation w/ 25 Bbl fresh water. Pump 8 sec gel-flush w/ hulls, 5 Bbl water spacer. 20 Bbl metasilicate pre-flush, 9 Bbl dye water. Mixed 120 SWS thickset cement w/ 10" Kel-seal 10" @ 13.2" @ 104L. Washout pump + lines, shut down, release plug. Displace w/ 18' Bbl fresh water. Final pump pressure 500 PSI. Bump plug to 1000 PSI. wait 2 minutes, release pressure, float held. Good cement returns to surface = 7 Bbl slurry, top it. 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	46	MILEAGE	3.50	162.00
1126A	120 SWS	thickset cement	15.40	1848.00
1111A	1200"	Kel-seal 10" @ 104L	.38	456.00
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1118A	400"	gel-flush	.15	60.00
1105	50"	hulls	.36	18.00
1102	80"	cable	.67	53.60
1111A	100"	metasilicate pre-flush	1.05	105.00
5407A	6.6	ten-mileage bulk TRK	1.10	290.40
5502C	3 hrs	80 Bbl WAC TRK	90.00	270.00
1123	3000 gal's	city water	12.80 / 1000	38.40
4404	1	4 1/2" top rubber plug	40.00	40.00
			Subtotal	4211.40
			5.3%	SALES TAX 191.99
			ESTIMATED TOTAL	4353.39

AUTHORIZATION Called by Muggel

TITLE Co. Rep.

DATE _____

Daily Well Work Report

EASTEP 15-23
7/12/2007

Well Location:
MONTGOMERY KS
31S-16E-23 SW SE
404FSL / 2042FEL

Cost Center C01031300400
Lease Number C010313
Property Code COLTPUDNEW-020
API Number 15-125-31398

Spud Date	RDMO Date	First Compl	First Prod	EFM Install	CygnnetID
7/12/2007	7/13/2007	8/31/2007	9/12/2007	9/12/2007	EASTEP_15_23

TD	PBTD	Sf Csg Depth	Pr Csg Depth	Tbg Size	Csg Size
1144	1137	20	1137		

Reported By krd	Rig Number	Date 7/12/2007
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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