

CONFIDENTIAL

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

ORIGINAL

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 Drilling  
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. \_\_\_\_\_

<u>7/25/2007</u>	<u>7/26/2007</u>	<u>Pending</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 125-31415-00-00  
County: Montgomery  
NE NE Sec. 29 Twp. 32 S. R. 16  East  West  
389 feet from S /  (circle one) Line of Section  
565 feet from  (circle one) W Line of Section  
Footages Calculated from Nearest Outside Section Corner:  
(circle one)  NE     SE     NW     SW  
Lease Name: Shepherd Well #: 1-29  
Field Name: Cherokee Basin Coal Area  
Producing Formation: Cherokee Coals  
Elevation: Ground: 772' Kelly Bushing: \_\_\_\_\_  
Total Depth: 1188' Plug Back Total Depth: 1171'  
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 1171  
feet depth to Surface w/ 125 sx cmt.

Drilling Fluid Management Plan Att # NJ 378 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: 11-7-07  
Subscribed and sworn to before me this 7 day of November,  
2007.  
Notary Public: MacLaughlin Darling  
Date Commission Expires: 1-9-2009

**KCC Office Use ONLY**

Letter of Confidentiality Attached  
 If Denied, Yes  No Date: 11/7/07  
 Wireline Log Received  
 Geologist Report Received 11/7/07  
 UIC Distribution

KANSAS CORPORATION COMMISSION  
NOV 8 2007  
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: Shepherd Well #: 1-29  
 Sec. 29 Twp. 32 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 border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:60%;">Name</th> <th style="width:20%;">Top</th> <th style="width:20%;">Datum</th> </tr> </thead> <tbody> <tr> <td>Pawnee Lime</td> <td>494 GL</td> <td>278</td> </tr> <tr> <td>Excello Shale</td> <td>651 GL</td> <td>121</td> </tr> <tr> <td>V-Shale</td> <td>698 GL</td> <td>74</td> </tr> <tr> <td>Mineral Coal</td> <td>740 GL</td> <td>32</td> </tr> <tr> <td>Mississippian</td> <td>1085 GL</td> <td>-313</td> </tr> </tbody> </table>	Name	Top	Datum	Pawnee Lime	494 GL	278	Excello Shale	651 GL	121	V-Shale	698 GL	74	Mineral Coal	740 GL	32	Mississippian	1085 GL	-313
Name	Top	Datum																	
Pawnee Lime	494 GL	278																	
Excello Shale	651 GL	121																	
V-Shale	698 GL	74																	
Mineral Coal	740 GL	32																	
Mississippian	1085 GL	-313																	

CONFIDENTIAL  
NOV 07 2007  
KCC

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	4	Type 1 cement
Casing	6.75"	4.5"	10.5	1171'	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 (Amount and Kind of Material Used)	Depth
	Pending		

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				
Pending			<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		
0	0	0					

Disposition of Gas	METHOD OF COMPLETION	Production Interval	KANSAS OIL AND GAS COMMISSION
<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) _____		NOV 08 2007

<b>Operator Name:</b>	Layne Energy Operating, LLC.		
<b>Lease Name:</b>	Shepherd 1-29		
	Sec. 29 Twp. 32S Rng. 16E, Montgomery County		
<b>API:</b>	15-125-31415-00-00		
<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	Mineral 740' - 742' V-Shale 698' - 701'	6313 lbs 20/40 sand 499 bbls water 500 gals 15% HCl acid	698' - 742'
4	Iron Post 672' - 674' Mulky 650' - 653' Summit 622' - 625'	1400 lbs 20/40 sand 402 bbls water 500 gals 15% HCl acid	622' - 674'
4	(re-perforated) Mulky 652.5' - 655.5' Summit 622' - 624'	2500 lbs 20/40 sand 485 bbls water 400 gals 15% HCl acid	622' - 655.5'

CONFIDENTIAL  
NOV 07 2007  
KCC

RECEIVED  
KANSAS OIL & GAS COMMISSION

11/7/07 10:07

OIL & GAS DIVISION  
TOPEKA, KS

# GEOLOGIC REPORT

LAYNE ENERGY  
Shepherd 1-29  
NE NE, 389 FNL, 565 FEL  
Section 29-T32S-R16E  
Montgomery County, KS

Spud Date: 7/25/2007  
Drilling Completed: 7/26/2007  
Logged: 7/26/2007  
A.P.I. #: 15125314150000  
Ground Elevation: 772'  
Depth Driller: 1188'  
Depth Logger: 1187'  
Surface Casing: 8.625 inches at 20'  
Production Casing: 4.5 inches at 1171'  
Cemented Job: 0  
Open Hole Logs: Dual Induction SFL/GR, High Resolution  
Compensated Density/Neutron

CONFIDENTIAL

JUL 27 2007

KCC

Formation	Tops	
	(below ground)	(subsea)
	Surface (Nellie Bly Formation)	772
Kansas City Group		
Pawnee Limestone	494	278
Excello Shale	651	121
"V" Shale	698	74
Mineral Coal	740	32
Mississippian	1,085	-313

RECORDED  
KANSAS GEOLOGICAL COMMISSION

JUL 28 2007

CONSULTATION DIVISION  
WICHITA, KS

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

TICKET NUMBER 12323  
 LOCATION EMERY  
 FOREMAN RICK LAMME

TREATMENT REPORT & FIELD TICKET  
 CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY																
7-27-07	4258	SHERROD 1-29				OSG																
CUSTOMER LAME Energy			<table border="1"> <thead> <tr> <th>TRUCK #</th> <th>DRIVER</th> <th>TRUCK #</th> <th>DRIVER</th> </tr> </thead> <tbody> <tr> <td>468</td> <td>Kyle</td> <td>CONFIDENTIAL</td> <td></td> </tr> <tr> <td>515</td> <td>Calin</td> <td>NOV 07 2007</td> <td></td> </tr> <tr> <td>434</td> <td>Jim</td> <td></td> <td></td> </tr> </tbody> </table>				TRUCK #	DRIVER	TRUCK #	DRIVER	468	Kyle	CONFIDENTIAL		515	Calin	NOV 07 2007		434	Jim		
TRUCK #	DRIVER	TRUCK #					DRIVER															
468	Kyle	CONFIDENTIAL																				
515	Calin	NOV 07 2007																				
434	Jim																					
MAILING ADDRESS P.O. Box 160																						
CITY Spartan		STATE KS	ZIP CODE																			

JOB TYPE logstrip HOLE SIZE 6 3/4" HOLE DEPTH 1180' CASING SIZE & WEIGHT 4 1/2" 40.5#  
 CASING DEPTH 1122' 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 500 MIX PSI 1000 RATE \_\_\_\_\_

REMARKS: Safety meeting. Rig up to 4 1/2" casing. Break circulation w/ 25 gal fresh water. Pump 8 sec gel-flush w/ hulls, 10 Bbl water spacer 20 gal metasilicate pre-flush, 9 Bbl dye water. Mixed 125 sec thickset cement w/ 10" Kel-sol 10# @ 13.2# / gal. Washout pump + lines shut down, release plug. Displace w/ 18.6 Bbl fresh water. Final pump pressure 500 PSI. Bump plug to 1000 PSI wait 2 minutes, release pressure, fluid 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	0	MILEAGE 2nd well	0	0
1186A	125 sacks	thickset cement	15.00	1875.00
1110A	1250 #	Kel-sol 10" #10	.30	375.00
1118A	400 #	gel-flush	.15	60.00
1105	50 #	hulls	.36	18.00
1102	80 #	cacl2	.67	53.60
1111A	100 #	metasilicate pre-flush	1.65	165.00
5407A	6.88	600-mileage bulk tax	1.10	7.57
5502C	3 hrs	80 Bbl vac. 7K	91.00	273.00
1183	3000 gals	city water	12.80	38.40
4404	1	4 1/2" top rubber plug	40.00	40.00
			5.8	147.09
			SALES TAX	147.09
			ESTIMATED TOTAL	4334.81

AUTHORIZATION called by Meyer

TITLE Co. Rep.

DATE \_\_\_\_\_  
 4334.81

# Daily Well Work Report

SHEPHERD 1-29

7/26/2007

**Well Location:**  
MONTGOMERY KS  
32S-16E-29 NE NE  
389FNL / 565FEL

**Cost Center** G01019500100  
**Lease Number** G010195  
**Property Code** KSDC32S16E2901  
**API Number** 15-125-31415

Spud Date	RDMO Date	First Compl	First Prod	EFM Install	CygnetsID
7/25/2007	7/26/2007				
TD	PBTD	Sf Csg Depth	Pr Csg Depth	Tbg Size	Csg Size
1188	1171	20	1171		

<b>Reported By</b> kd	<b>Rig Number</b>	<b>Date</b> 7/25/2007
<b>Taken By</b> kd		<b>Down Time</b>
<b>Present Operation</b> Drill Out from under surface		<b>Contractor</b> Thornton

## 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

CONFIDENTIAL  
NOV 07 2007  
KCC

RECEIVED  
KANSAS CORPORATION COMMISSION

NOV 08 2007

CONSERVATION DIVISION  
WICHITA, KS