

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: McPherson Drilling  
License: 5675

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Wellsite Geologist: \_\_\_\_\_  
Designate Type of Completion:  
 New Well  Re-Entry  Workover  
 Oil  SWD  SLOW  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. \_\_\_\_\_

7/11/2007      7/12/2007      8/9/2007  
Spud Date or      Date Reached TD      Completion Date or  
Recompletion Date                Recompletion Date

API No. 15 - 125-31396-00-00  
County: Montgomery  
\_\_\_\_ - \_\_\_\_ - NW NW Sec. 26 Twp. 31 S. R. 16  East  West  
474 feet from S /  (circle one) Line of Section  
339 feet from E /  (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:  
(circle one) NE SE  (NW) SW  
Lease Name: Eastep Well #: 4-26  
Field Name: Cherokee Basin Coal  
Producing Formation: Cherokee Coals  
Elevation: Ground: 816' Kelly Bushing: \_\_\_\_\_  
Total Depth: 1155' Plug Back Total Depth: 1147'  
Amount of Surface Pipe Set and Cemented at 22' Feet  
Multiple Stage Cementing Collar Used?  Yes  No  
If yes, show depth set \_\_\_\_\_ Feet  
If Alternate II completion, cement circulated from 1147'  
feet depth to Surface w/ 120 sx cmt.

Drilling Fluid Management Plan Att II N3 3-16-07  
(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: \_\_\_\_\_  
Title: Agent Date: 10-22-07  
Subscribed and sworn to before me this 22 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  
 Geologist Report Received  
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JIC Distribution  
CONSERVATION DIVISION  
WICHITA, KS

Operator Name: Layne Energy Operating, LLC Lease Name: Eastep Well #: 4-26  
 Sec. 26 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  Name Top Datum Pawnee Lime 505 GL 312 Excello Shale 657 GL 159 V Shale 709 GL 107 Mineral Coal 752 GL 64 Mississippian 1037 GL -221
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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	22'	Class A	4	Type 1 cement
Casing	6.75"	4.5"	10.5	1147'	Thick Set	120	10# KOL @ 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		

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TUBING RECORD	Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	2-3/8"	1006'		
Date of First, Resumerd Production, SWD or Enhr.		Producing Method		
8/17/2007		<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	41	0	

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) \_\_\_\_\_

<b>Operator Name:</b>	Layne Energy Operating, LLC.		
<b>Lease Name:</b>	Eastepp 4-26		
	Sec. 26 Twp. 31S Rng. 16E, Montgomery County		
<b>API:</b>	15-125-331396-00-00		
<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	Neutral 982.5' - 984' Rowe 973.5' - 975'	6100 lbs 20/40 sand 418 bbls water 570 gals 15% HCl acid	973.5' - 984'
4	Bluejacket 860' - 861.5' Scammon 767' 768.5' Mineral 751.5' - 753'	9300 lbs 20/40 sand 676 bbls water 750 gals 15% HCl acid	751.5' - 861.5'
4	Croweburg 711' - 713' Iron Post 687' - 688.5' Mulky 656.5' - 664' Summit 632' - 636'	12300 lbs 20/40 sand 1087 bbls water 1500 gals 15% HCl acid	632' - 713'

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**GEOLOGIC REPORT**

LAYNE ENERGY  
Eastep 4-26  
NW NW, 474 FNL, 339 FWL  
Section 26-T31S-R16E  
Montgomery County, KS

Spud Date: 7/11/2007  
Drilling Completed: 7/12/2007  
Logged: 7/12/2007  
A.P.I. #: 15125313960000  
Ground Elevation: 816'  
Depth Driller: '  
Depth Logger: 1154'  
Surface Casing: 8.625 inches at 21'  
Production Casing: 4.5 inches at 1147'  
Cemented Job: 0  
Open Hole Logs: Dual Induction SFL/GR, High Resolution  
Compensated Density/Neutron

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<b>Formation</b>	<b>Tops</b>	
	<b>(below ground)</b>	<b>(subsea)</b>
	Surface (Nellie Bly Formation)	816
Kansas City Group	505	312
Pawnee Limestone	657	159
Excello Shale	709	107
"V" Shale	752	64
Mineral Coal	1,037	-221
Mississippian		

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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 12117  
 LOCATION EVREKA  
 FOREMAN Rick LEDBETTER

TREATMENT REPORT & FIELD TICKET  
 CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
7-13-07	4758	Esrap 4-26				MG
CUSTOMER <u>Layne Energy</u>			TRUCK # DRIVER TRUCK # DRIVER			
MAILING ADDRESS <u>P.O. Box 160</u>			603 Kyle			
CITY STATE ZIP CODE <u>Sycamore KS</u>			575 Calin			
			436 Ed			

Gus Jones

JOB TYPE loss string HOLE SIZE 6 3/4" HOLE DEPTH 1155' CASING SIZE & WEIGHT 4 1/2" 10.50  
 CASING DEPTH 1147' DRILL PIPE \_\_\_\_\_ TUBING \_\_\_\_\_ OTHER \_\_\_\_\_  
 SLURRY WEIGHT 132# SLURRY VOL 37 bbl WATER gal/sk 8.0 CEMENT LEFT IN CASING 0'  
 DISPLACEMENT 1874 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 sks gel-flush w/ hulls, 5 bbl water spacer. 20 bbl metasilicate pre-flush, 9 bbl dye water. Mixed 120 sks thickset cement w/ 10" Kel-seal @ 13.2# / gal. Washout pump & lines, shut down release plug. Displace w/ 1874 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 = 2 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	120 sks	thickset cement	15.40	1848.00
1110A	1200#	Kel-seal 10" @ 13.2# / gal	.38	456.00
1118A	400#	gel-flush	.15	60.00
1105	50#	hulls	.36	18.00
1102	80#	oacle	.67	53.60
1111A	100#	metasilicate pre-flush	1.65	165.00
55026	3 hrs	80 bbl WAC. TRK	90.00	270.00
1123	3000 gals	city water	12.80 / 1000	38.40
5407A	6.6	top mileage bulk tax	1.10	290.40
4404	1	4 1/2" top rubber plug	40.00	40.00
			subtotal	4211.40
			5.3% SALES TAX	141.99
			ESTIMATED TOTAL	4353.39

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

14381

# Daily Well Work Report

EASTEP 4-26  
7/12/2007

**Well Location:**  
MONTGOMERY KS  
31S-16E-26 NW NW  
474FNL / 339FWL

**Cost Center** C01031300300  
**Lease Number** C010313  
**Property Code** COLTPUDNEW-021  
**API Number** 15-125-31396

Spud Date	RDMO Date	First Compl	First Prod	EFM Install	CygnetiD
7/11/2007	7/12/2007	8/9/2007	8/17/2007	8/17/2007	EASTEP_4_26
TD	PBTD	Sf Csg Depth	Pr Csg Depth	Tbg Size	Csg Size
1155	1147	22	1147		

<b>Reported By</b> krd	<b>Rig Number</b>	<b>Date</b> 7/11/2007
<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, 22' 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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