

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: McPherson Drilling
License: 5675

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. _____

<u>7/24/2007</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 - 125-31411-00-00
County: Montgomery
 - - NE - NE Sec. 6 Twp. 33 S. R. 16 East West
985 feet from S / **(N)** (circle one) Line of Section
383 feet from **(E)** W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) **(NE)** SE NW SW
Lease Name: Shepherd Well #: 1-6
Field Name: Cherokee Basin Coal Area
Producing Formation: Cherokee Coals

Elevation: Ground: 750' Kelly Bushing: _____
Total Depth: 1180' 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 At IINJ 3-1709
(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
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

<input checked="" type="checkbox"/> Y	Letter of Confidentiality Attached
<input checked="" type="checkbox"/> V	If Denied, Yes <input type="checkbox"/> Date: _____
<input type="checkbox"/>	Wireline Log Received
<input type="checkbox"/>	Geologist Report Received
<input type="checkbox"/>	UIC Distribution

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WICHITA, KS

Operator Name: Layne Energy Operating, LLC Lease Name: Shepherd Well #: 1-6
 Sec. 6 Twp. 33 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>514 GL</td> <td>236</td> </tr> <tr> <td>Excello Shale</td> <td>684 GL</td> <td>66</td> </tr> <tr> <td>V-Shale</td> <td>732 GL</td> <td>18</td> </tr> <tr> <td>Mineral Coal</td> <td>774 GL</td> <td>-24</td> </tr> <tr> <td>Mississippian</td> <td>1101 GL</td> <td>-351</td> </tr> </table>	Name	Top	Datum	Pawnee Lime	514 GL	236	Excello Shale	684 GL	66	V-Shale	732 GL	18	Mineral Coal	774 GL	-24	Mississippian	1101 GL	-351
Name	Top	Datum																	
Pawnee Lime	514 GL	236																	
Excello Shale	684 GL	66																	
V-Shale	732 GL	18																	
Mineral Coal	774 GL	-24																	
Mississippian	1101 GL	-351																	

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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	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	Acid, Fracture, Shot, Cement Squeeze Record	Depth
	Specify Footage of Each Interval Perforated	(Amount and Kind of Material Used)	
	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 <input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Exp)			
Pending					
Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	
	0	0	0		

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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GEOLOGIC REPORT

LAYNE ENERGY
Shepherd 1-6
NE NE, 985 FNL, 383 FEL
Section 6-T33S-R16E
Montgomery County, KS

Spud Date: 7/24/2007
Drilling Completed: 7/26/2007
Logged: 7/26/2007
A.P.I. #: 15125314110000
Ground Elevation: 750'
Depth Driller: 1180'
Depth Logger: 1180'
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

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Formation	Tops	
	(below ground)	(subsea)
Quaternary	Surface (Alluvium)	750
Pawnee Limestone	514	236
Excello Shale	684	66
"V" Shale	732	18
Mineral Coal	774	-24
Mississippian	1,101	-351

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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 12322
 LOCATION Energy
 FOREMAN Rick Larson

TREATMENT REPORT & FIELD TICKET
 CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY	
7-27-07	4758	SHEPARD 1-6				WJ	
CUSTOMER LANE ENERGY			603 Jones				
MAILING ADDRESS P.O. Box 1100							
CITY Sycamore		STATE KS					
ZIP CODE							
TRUCK #		DRIVER		TRUCK #		DRIVER	
463		Kyle					
502		Shannon					
484		Jim					

JOB TYPE Logging HOLE SIZE 6 3/4" HOLE DEPTH 1180' CASING SIZE & WEIGHT 4 1/2" 16.5"
 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 PSI 1000 RATE _____

REMARKS: Safety meeting. Rig up to 4 1/2" casing. Break circulation w/ 25 Bbl fresh water. Pump 8 sec get flush w/ hulls, 10 Bbl water spacer. 20 Bbl metasilicate pre-flush, 9 Bbl dye water. Mixed 125 sec thixot cement w/ 10" Kel-seal @ 13.2* @ 1000. Wait 2 min + lines shut down. Release plug. Displace w/ 18.6 Bbl fresh water. Final pump pressure 500 psi. Pump plug to 1000 psi. Wait 2 mins release pressure, float held. Cement cement returns to surface = 7 Bbl slurry to pit. Job complete Rig down.

"Thru the"

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
5401	1	PUMP CHARGE	840.00	840.00
5406	40	MILEAGE	3.80	152.00
1126A	125 sec	thixot cement	15.00	1875.00
1110A	1250*	Kel-seal 10" @ 1000	.37	468.75
1118A	400*	gel-flush	.15	60.00
1105	50*	hulls	.36	18.00
1102	80*	spacer	.62	50.00
1111A	100*	metasilicate pre-flush	1.65	165.00
5407A	6.80	tan-mileage bulk tank	1.10	7.48
5502C	3 hrs	80 Bbl WAC. TRK	80.00	240.00
1123	3000 gals	city water	12.80	38.40
4404	1	4 1/2" top rubber plug	40.00	40.00
			5.33	9319.72
			SALES TAX	197.89
			ESTIMATED TOTAL	9517.61

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015093

AUTHORIZATION called by Mopper TITLE Co. Rep DATE _____

4466.81

Daily Well Work Report

SHEPHERD 1-6

7/26/2007

Well Location:
MONTGOMERY KS
33S-16E-6 NE NE
985FNL / 383FEL

Cost Center G01019700100
Lease Number G010197
Property Code KSDC33S16E0601
API Number 15-125-31411

Spud Date 7/24/2007 **RDMO Date** 7/26/2007 **First Compl** **First Prod** **EFM Install** **CygnnetID**

TD 1180 **PBTD** 1171 **Sf Csg Depth** 20 **Pr Csg Depth** 1171 **Tbg Size** 0 **Csg Size** 0

Reported By krd **Rig Number** **Date** 7/24/2007
Taken By krd **Down Time**
Present Operation Drill Out from under surface **Contractor** McPherson

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Narrative

Miru McPherson 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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