

12/7/09

**CONFIDENTIAL**

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
**WELL COMPLETION FORM**  
WELL HISTORY - DESCRIPTION OF WELL & LEASE

**ORIGINAL** Form ACO-1  
September 1999  
Form Must Be Typed

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. \_\_\_\_\_

<u>8/15/2007</u>	<u>8/17/2007</u>	<u>11/30/2007</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 125-31383-00-00  
County: Montgomery  
SW - SE - SW Sec. 36 Twp. 32 S. R. 16  East  West  
402 feet from  N (circle one) Line of Section  
1720 feet from E /  W (circle one) Line of Section  
Footages Calculated from Nearest Outside Section Corner:  
(circle one) NE SE NW  SW  
Lease Name: Taylor Well #: 14-36  
Field Name: Cherokee Basin Coal Area  
Producing Formation: Cherokee Coals  
Elevation: Ground: 754' Kelly Bushing: \_\_\_\_\_  
Total Depth: 1090' Plug Back Total Depth: 1083'  
Amount of Surface Pipe Set and Cemented at 40 Feet  
Multiple Stage Cementing Collar Used?  Yes  No  
If yes, show depth set \_\_\_\_\_ Feet  
If Alternate II completion, cement circulated from 1083  
feet depth to Surface w/ 115 sx cmt.

**Drilling Fluid Management Plan** AH# N34909  
(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: 12-6-07  
Subscribed and sworn to before me this 6 day of December  
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: \_\_\_\_\_  
 Wireline Log Received  
 Geologist Report Received

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**DEC 10 2007**

CONSERVATION DIVISION  
WICHITA, KS

Operator Name: Layne Energy Operating, LLC Lease Name: Taylor Well #: 14-36  
 Sec. 36 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="0" style="width: 100%;"> <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>427 GL</td> <td>327</td> </tr> <tr> <td>Excello Shale</td> <td>563 GL</td> <td>191</td> </tr> <tr> <td>V Shale</td> <td>614 GL</td> <td>140</td> </tr> <tr> <td>Mineral Coal</td> <td>658 GL</td> <td>96</td> </tr> <tr> <td>Mississippian</td> <td>999 GL</td> <td>-245</td> </tr> </table>	Name	Top	Datum	Pawnee Lime	427 GL	327	Excello Shale	563 GL	191	V Shale	614 GL	140	Mineral Coal	658 GL	96	Mississippian	999 GL	-245
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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	40'	Class A	10	Type 1 cement
Casing	6.75"	4.5"	10.5	1083'	Thick Set	115	#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
	See Attached Page		

TUBING RECORD	Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	2-3/8"	1017'		
Date of First, Resumerd Production, SWD or Enhr.		Producing Method		
SI - waiting on pipeline		<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

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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<b>Operator Name:</b>	Layne Energy Operating, LLC.		
<b>Lease Name:</b>	Taylor 14-36		
	Sec. 36 Twp. 32S Rng. 16E, Montgomery County		
<b>API:</b>	15-125-31383-00-00		
<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 912' - 913.5'	1327 lbs 20/40 sand 221 bbls water 350 gals 15% HCl acid	912' - 913.5'
4	Mineral 658' - 659' Croweburg 615.5' - 618.5' Iron Post 592.5' - 594'	8622 lbs 20/40 sand 664 bbls water 500 gals 15% HCl acid	592.5' - 659'
4	Mulky 564' - 567.5' Summit 536.5' - 538.5'	9023 lbs 20/40 sand 596 bbls water 400 gals 15% HCl acid	536.5' - 567.5'

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CONSERVATION DIVISION  
WICHITA, KS

# GEOLOGIC REPORT

LAYNE ENERGY  
Taylor 14-36  
SE SW, 402 FSL, 1720 FWL  
Section 36-T32S-R16E  
Montgomery County, KS

Spud Date: 8/15/2007  
Drilling Completed: 8/17/2007  
Logged: 8/17/2007  
A.P.I. #: 15125313830000  
Ground Elevation: 754'  
Depth Driller: '  
Depth Logger: 1091'  
Surface Casing: 8.625 inches at 41'  
Production Casing: 4.5 inches at 1083'  
Cemented Job: Consolidated  
Open Hole Logs: Dual Induction SFL/GR, High Resolution  
Compensated Density/Neutron

## Formation

	Tops	
	(below ground)	(subsea)
	Surface (Terrace	
Quaternary	Deposits)	754
Pawnee Limestone	427	327
Excello Shale	563	191
"V" Shale	614	140
Mineral Coal	658	96
Mississippian	999	-245

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CONSERVATION DIVISION  
WICHITA, KS

# Daily Well Work Report

TAYLOR 14-36  
8/15/2007

**Well Location:**  
MONTGOMERY KS  
32S-16E-36 SE SW  
402FSL / 1720FWL

**Cost Center** C01020100100  
**Lease Number** C010201  
**Property Code** KSCV32S16E3614  
**API Number** 15-125-31383

Spud Date	RDMO Date	First Compl	First Prod	EFM Install	Cygnetid
8/15/2007	8/17/2007	11/30/2007			

TD	PBTD	Sf Csg Depth	Pr Csg Depth	Tbg Size	Csg Size
1090	1083	40	1083		

<b>Reported By</b> KRD	<b>Rig Number</b>	<b>Date</b> 8/15/2007
<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, 40' deep, rih w/2jt 8-5/8" surface casing. Mixed 10 sxs type 1 cement, dumped dn the back side. SDFN DWC:\$3,160

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Wednesday, December 05, 2007

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CONSERVATION DIVISION  
WICHITA, KS

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

TICKET NUMBER 12518  
 LOCATION EUROA  
 FOREMAN RICK LOHMEYER

TREATMENT REPORT & FIELD TICKET  
 CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY																
8-17-07	4758	TAYLOR 14-36				MC																
CUSTOMER <u>LAME Energy</u>			<table border="1"> <thead> <tr> <th>TRUCK #</th> <th>DRIVER</th> <th>TRUCK #</th> <th>DRIVER</th> </tr> </thead> <tbody> <tr> <td>463</td> <td>Cliff</td> <td></td> <td></td> </tr> <tr> <td>515</td> <td>Calh</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>				TRUCK #	DRIVER	TRUCK #	DRIVER	463	Cliff			515	Calh						
TRUCK #	DRIVER	TRUCK #					DRIVER															
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MAILING ADDRESS <u>P.O. Box 160</u>																						
CITY <u>Sycamore</u>		STATE <u>KS</u>	ZIP CODE																			

JOB TYPE Logging HOLE SIZE 6 3/4" HOLE DEPTH 1090' CASING SIZE & WEIGHT 4 1/2" 14.5"  
 CASING DEPTH 1083' DRILL PIPE \_\_\_\_\_ TUBING \_\_\_\_\_ OTHER \_\_\_\_\_  
 SLURRY WEIGHT 13.2" SLURRY VOL 36 bbl WATER gal/sk 8.0 CEMENT LEFT in CASING 0'  
 DISPLACEMENT 17 1/4 bbl DISPLACEMENT PSI 500 ~~900~~ PSI 1000 RATE \_\_\_\_\_

REMARKS: Safety meeting. Rig up to 4 1/2" casing. Break circulation w/ 25 bbl fresh water. Pump 8 sacks gel-flush w/ hulls, 5 bbl water spacer, 20 bbl metasilicate pre-flush, 9 bbl dye water. Mixed 115 sacks thickset cement w/ 10" Kalscal ~~10" 10" @ 13.2~~ washout pump & lines, shut down, release plug. Displace w/ 17 1/4 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	115 sacks	thickset cement	15.00	1725.00
1110A	1150"	Kalscal 10" 10"	.39	453.70
1118A	400"	gel-flush	.15	60.00
1105	50"	hulls	.36	18.00
1102	20"	orel2	.27	53.60
1111A	100"	metasilicate pre-flush	1.65	165.00
5403A	6.33	ten-mileage bulk fuel	1.10	222.52
4404	1	4 1/2" top ribbe plug RECEIVED KANSAS CORPORATION COMMISSION	40.00	40.00
				DEC 10 2007
			CONSERVATION DIVISION WICHITA, KS	3285.12
			SALES TAX 5.3%	139.86
ESTIMATED TOTAL				3424.98

AUTHORIZATION called by Mugga TITLE Co. Mgr. DATE \_\_\_\_\_