

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: Kurtis Energy
License: 34133
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>9/18/2009</u> | <u>9/21/2009</u> | <u>10/28/2009</u> |
| Spud Date or Recompletion Date | Date Reached TD | Completion Date or Recompletion Date |

API No. 15 - 125-31890-00-00
County: Montgomery
W2 SW NE Sec. 5 Twp. 31 S. R. 14 East West
1987 feet from S / (circle one) N Line of Section
2422 feet from (circle one) E W Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE (circle one) SE NW SW
Lease Name: Lawrence Well #: 7A-5

Field Name: Cherokee Basin Coal Area
Producing Formation: Cherokee Coals
Elevation: Ground: 934' Kelly Bushing: _____
Total Depth: 1275' Plug Back Total Depth: 1255'
Amount of Surface Pipe Set and Cemented at 21 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set _____ Feet
If Alternate II completion, cement circulated from 1255'
feet depth to Surface w/ 125 ^{sx cmt.}

Drilling Fluid Management Plan
(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.: _____

Alt 2-Dlg - 2/1/10

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: Project Engineer Date: 1/25/10
Subscribed and sworn to before me this 25 day of January,
20 10.
Notary Public: MacLaughlin Darling
Date Commission Expires: 1-4-2013



KCC Office Use ONLY

Letter of Confidentiality Attached
If Denied, Yes Date: 2-2-10 - DLG
 Wireline Log Received
 Geologist Report Received
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Operator Name: Layne Energy Operating, LLC Lease Name: Lawrence Well #: 7A-5
 Sec. 5 Twp. 31 S. R. 14 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 Yes No
 (Attach Additional Sheets)

Samples Sent to Geological Survey Yes No

Cores Taken Yes No

Electric Log Run Yes No
 (Submit Copy)

List All E. Logs Run:

Compensated Density Neutron
 Dual Induction

Log Formation (Top), Depth and Datum Sample

Name Top Datum

See Attached Driller's Log

CASING RECORD New 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" | 7" | | 21' | Class A | 8 | Type 1 cement |
| Casing | 5-5/8" | 2.78" | | 1255' | Thick Set | 125 | 50/50 posmix w/2% gel |
| | | | | | | | |

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 |
|----------------|---|---|-------|
| | Cattleman Sand 999' - 1205' | 4500 lbs Sand 20/40 | |
| | | 4800 lbs Sand 12/20 | |
| | | 350 gals HCl 15% | |

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| TUBING RECORD | Size | Set At | Packer At | Liner Run |
|---------------|------|--------|-----------|---|
| | 1" | 1220' | | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |

| Date of First, Resumerd Production, SWD or Enhr. | Producing Method |
|--|---|
| 10/28/2009 | <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 |
|-----------------------------------|-----------|---------|-------------|---------------|---------|
| | 4 | 0 | 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)

Daily Well Work Report

LAWRENCE 7A-5

9/18/2009

Well Location:
MONTGOMERY KS
31S-14E-5 W2 SW NE
1987FNL / 2422FEL

Cost Center G01060800200
Lease Number G010608
Property Code KSSY31S14E0507A
API Number 15-125-31890

| Spud Date | RDMO Date | First Compl | First Prod | EFM Install | CygnnetID |
|-----------|-----------|-------------|------------|-------------|-----------|
| 9/18/2009 | 9/21/2009 | 10/28/2009 | 10/28/2009 | | |

| TD | PBTD | Sf Csg Depth | Pr Csg Depth | Tbg Size | Csg Size |
|------|------|--------------|--------------|----------|----------|
| 1275 | 1255 | 21 | 1255 | 0 | 0 |

| | | |
|--|-------------------|---------------------------------|
| Reported By K. Dixon | Rig Number | Date 9/18/2009 |
| Taken By K. Dixon | | Down Time |
| Present Operation Drill out Surface | | Contractor Kurtis Energy |

Narrative

MIRU Kurtis Energy, Drilled 11" hole 21' deep. Rih w/1 joint 7" surface casing. Mixed 8 sx Type 1 cement, dumped down the backside. SDFN

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GEOLOGIC REPORT

Layne Energy
Lawrence 7A-5
Section 5-T31S-R14E
SW NE, 1,987' FNL, 2,422' FEL
Montgomery County, KS

On Site Geologist: Rolland Yoakum
Spud Date: 9/18/09
Drilling Completed: 9/28/08
API: 15-125-31890-0000
Ground Elevation: 934'
Depth Driller: 1,257'
Depth Logger: 1,250'
Bit Size: 5 5/8"
Cored Intervals: 820' – 840'; 866' – 886'; 1,192' – 1,207'
Core Diameter: 2 1/8"
Surface Casing: 7" from 0'to 20'
Production Casing:
Open Hole Logs (Osage Wireline): High Resolution Compensated Density
Sidewall Neutron Log / Dual Induction LL3 GR Log

Altamont Formation

| | |
|---------------|--|
| 820 – 820.4 | SH, gy, nonfiss, calc, hd, oil show |
| 820.4 – 821.9 | LS, lt gy, tight, oily |
| 821.9 – 824 | SS, gy to lt gy, v f gn, calc, bleeding oil |
| 824 – 824.4 | SS, gy, v f gn, subrounded, strong oil show |
| 824.4 – 826.8 | SS, lt gy to gy, v fn gn, low Φ , calc, tr oil show |
| 826.8 – 828 | SS, lt gy, fn gn, fair Φ , calc, x-bedded, very good oil show |
| 828 – 829 | SS, lt gy, subrounded, v fn gn, calc, x-bedded, low Φ , tr oil show |
| 829 – 830.2 | SS, lt gy, fn gn, fair Φ , calc, good oil show |
| 830.2 – 831.2 | SS, lt gy, hd, v f gn, poor Φ , calc, no oil show |
| 831.2 – 831.8 | SS, lt gy, hd, fn gn, good oil show |
| 831.8 – 838 | SS, lt gy to gy, v f gn, poor Φ , no oil show |

Weiser Sand

| | |
|-------------|--|
| 866 – 869.1 | SS, gy, fn gn, arg, low Φ , bioturbated, feather-edge laminae, tr brach foss @ 868.7; tr oil show |
|-------------|--|

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869.1 - 884 SS, fn gn, gy to lt gy, quartzose, some feathered edge laminae, subrounded to rounded, good Φ , poor oil show

884 - 885.7 SS, gy, arg, laminae, poor Φ

Cattleman Sand

1,192 - 1,196 SH, gy, sndy, tr oil show, fair gas show (core broken up, impossible to estimate depths; covered with oil from core barrel, but fresh surfaces only show tr oil)

1,196 - 1,198.5 SS, gy, shaley, x-bedded, poor Φ , fair oil show, tr gas

1,198.5 - 1,204.5 SS, gy, fn gn, subrounded, fair Φ , very good oil show, bubbling gas throughout for 30+ minutes, saturated with oil

1,204.5 - 1,207 SH, lt gy, nonfiss, soft

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CONSOLIDATED
Oil Well Services, LLC

ENTERED

TICKET NUMBER 23628
LOCATION EUREKA
FOREMAN KEVIN McCoy

PO Box 884, Chanute, KS 66720
620-431-9210 or 800-467-8676

FIELD TICKET & TREATMENT REPORT
CEMENT

| DATE | CUSTOMER # | WELL NAME & NUMBER | SECTION | TOWNSHIP | RANGE | COUNTY |
|--|--------------------|--------------------|------------|---------------|---------|--------|
| 9-29-09 | 4758 | LAWRENCE 7A-5 | | | | MG |
| CUSTOMER <u>Layne Energy</u> | | | TRUCK # | DRIVER | TRUCK # | DRIVER |
| MAILING ADDRESS <u>P.O. Box 160</u> | | | <u>445</u> | <u>Justin</u> | | |
| CITY <u>Sycamore</u> | STATE <u>Ks</u> | ZIP CODE | <u>479</u> | <u>John S</u> | | |

JOB TYPE Longstring HOLE SIZE 5 7/8 HOLE DEPTH 1257' CASING SIZE & WEIGHT _____
 CASING DEPTH _____ DRILL PIPE _____ TUBING 2 7/8 Set @ 1255' OTHER _____
 SLURRY WEIGHT 13.2 * SLURRY VOL 40 BBL WATER gal/sk 9.0 CEMENT LEFT in CASING 0'
 DISPLACEMENT 7.5 BBL DISPLACEMENT PSI 600 PSI 1000 Bump Plug RATE _____

REMARKS: Safety Meeting: Rig up to 2 7/8 Tubing. Pump 8 sks Gel Flush, 5 BBL water Spacer, 5 BBL Caustic Soda pre flush, 10 BBL water Spacer, 2 BBL Dye water. Mixed 125 sks Thickset Cement w/ 5* Kol-Seal /sk, 1/2% CFL-110, 1/4% CAF-38, 1/8* PhenoSeal /sk @ 13.2*/gal yield 1.75. Shut down. wash out Pump & Lines. Drop 2-2 7/8 Rubber Plugs. Displace w/ 7.5 BBL fresh water @ 1 BPM. FINAL Pumping Pressure 600 PSI. Bump Plug to 1000 PSI. Shut Tubing in @ 1000 PSI. Good Cement Returns to Surface = 5 BBL Slurry (16sk) to Pit. Job Complete. Rig down.

| ACCOUNT CODE | QUANTITY or UNITS | DESCRIPTION of SERVICES or PRODUCT | UNIT PRICE | TOTAL |
|--------------|-------------------|------------------------------------|-----------------|---------|
| 5401 | 1 | PUMP CHARGE | 870.00 | 870.00 |
| 5406 | 40 | MILEAGE | 3.45 | 138.00 |
| 1126 A | 125 sks | Thick Set Cement | 16.00 | 2000.00 |
| 1110 A | 625 * | Kol-Seal 5*/sk | .39 * | 243.75 |
| 1107 A | 15 * | PhenoSeal 1/8*/sk | 1.08 * | 16.20 |
| 1135 | 50 * | CFL-110 1/2% | 7.05 * | 352.50 |
| 1146 | 25 * | CAF-38 1/4% | 7.25 * | 181.25 |
| 1118 A | 400 * | Gel Flush | .16 * | 64.00 |
| 1103 | 50 * | Caustic Soda | .85 * | 42.50 |
| 5407 A | 6.87 Tons | 40 miles BULK TRUCK | 1.16 | 318.77 |
| 4402 | 2 | 2 7/8 Top Rubber Plugs | 22.00 | 44.00 |
| | | | Sub Total | 4270.97 |
| | | | SALES TAX | 156.04 |
| | | | ESTIMATED TOTAL | 4427.01 |

THANK YOU M 231389 5.3%
 AUTHORIZATION witnessed By Jacob TITLE Layne Co. Rep. DATE 9-29-09

Ravin 3737

Layne Energy, Inc.

1900 Shawnee Mission Parkway, Mission Woods, Kansas 66205 Phone: (913) 748-3987 Fax: (913) 748-3950

January 25, 2010

Mr. Steve Bond
Kansas Corporation Commission
Oil & Gas Conservation Division
130 S. Market, Room 2078
Wichita, KS 67202

Re: Well Completion Form

Dear Mr. Bond:

I have enclosed the ACO-1 form and associated data for the following well:

API # 15-125-31890-00-00
Lawrence 7A-5

We respectfully request that all information submitted be kept confidential. Per provision E-4 of K.A. R. 82-3-107, we request that the term of the confidentiality be extended by one year.

If you need additional information, please contact me at (913) 748-3960.

Sincerely,



MacLaughlin Darling
Production Analyst

Enclosures

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