

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

5/05/10

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 Air Right

License: 33606

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.

1/10/2008 1/14/2008 3/5/2008

Spud Date or Date Reached TD Completion Date or

Recompletion Date Recompletion Date

API No. 15 - 125-31500-00-00

County: Montgomery

Sec. 18 Twp. 31 S. R. 15  East  West

1862 feet from (S) N (circle one) Line of Section

574 feet from E / (W) (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:

(circle one) NE SE NW (SW)

Lease Name: Gaut Well #: 12-18

Field Name: Cherokee Basin Coal Area

Producing Formation: Cherokee Coals

Elevation: Ground: 961' Kelly Bushing:

Total Depth: 1482' Plug Back Total Depth: 1463'

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 1463

feet depth to Surface w/ 200 sx cmt.

Drilling Fluid Management Plan AH 11/16/09  
(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.:

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AH 11/16/09

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: 5-2-08

Subscribed and sworn to before me this 2 day of May

20 08.

Notary Public: MacLaughlin Darling

Date Commission Expires: 1-4-2009

KCC Office Use ONLY  
Letter of Confidentiality Attached  
If Denied, Yes  Date: RECEIVED  
KANSAS CORPORATION COMMISSION  
Wireline Log Received  
Geologist Report Received MAY 06 2008  
MacLAUGHLIN DARLING  
Notary Public - State of Kansas  
My Appt. Expires 1-4-2009  
CONSERVATION DIVISION  
WICHITA, KS

Operator Name: Layne Energy Operating, LLC Lease Name: Gaut Well #: 12-18  
 Sec. 18 Twp. 31 S. R. 15  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:70%;">Name</td> <td style="width:15%;">Top</td> <td style="width:15%;">Datum</td> </tr> <tr> <td>Pawnee Lime</td> <td>905 GL</td> <td>56</td> </tr> <tr> <td>Excello Shale</td> <td>1040 GL</td> <td>-79</td> </tr> <tr> <td>V-Shale</td> <td>1096 GL</td> <td>-135</td> </tr> <tr> <td>Mineral Coal</td> <td>1143 GL</td> <td>-182</td> </tr> <tr> <td>Mississippian</td> <td>1394 GL</td> <td>-433</td> </tr> </table>	Name	Top	Datum	Pawnee Lime	905 GL	56	Excello Shale	1040 GL	-79	V-Shale	1096 GL	-135	Mineral Coal	1143 GL	-182	Mississippian	1394 GL	-433
Name	Top	Datum																	
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Mississippian	1394 GL	-433																	

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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	# Sacs Used	Type and Percent Additives
Surface	11"	8.625"	24	21'	Class A	8	Type 1 cement
Casing	6.75"	4.5"	10.5	1463'	Thick Set	200	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
	See Attached Page		

TUBING RECORD	Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	2-3/8"	1414'		
Date of First, Resumerd Production, SWD or Enhr.		Producing Method		
3/12/2008		<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	22	0	

Disposition of Gas	METHOD OF COMPLETION	Production Interval	<b>RECEIVED</b>
<input type="checkbox"/> Vented <input checked="" type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	<input type="checkbox"/> Open Hole <input checked="" type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input checked="" type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____		<b>MAY 06 2008</b>

<b>Operator Name:</b>	Layne Energy Operating, LLC.		
<b>Lease Name:</b>	Gaut 12-18		
	Sec. 18 Twp. 31S Rng. 15E, Montgomery County		
<b>API:</b>	15-125-31500-00-00		
<b>Shots per Foot</b>	<b>Perforation Record</b>	<b>Acid, Fracture, Shot, Cement Squeeze Record</b>	<b>Depth</b>
<b>Initial Perforations (March 2008)</b>			
4	Rowe 1345.5' - 1347'	1300 lbs 20/40 sand 308 bbls water 1000 gals 15% HCl acid	1345.5' - 1347'
4	Weir 1204' - 1206' Tebo 1191' - 1192'	5900 lbs 20/40 sand 370 bbls water 400 gals 15% HCl acid	1191' - 1206'
4	Mineral 1143' - 1144' Croweburg 1097' - 1098.5' Bevier 1076' - 1078'	8400 lbs 20/40 sand 615 bbls water 1000 gals 15% HCl acid	1076' - 1144'
4	Mulky 1042' - 1046' Summit 1022.5' - 1024.5'	8200 lbs 20/40 sand 402 bbls water 500 gals 15% HCl acid	1022.5' - 1046'
4	Mulberry 901.5' - 902.5'	1200 lbs 20/40 sand 111 bbls water 350 gals 15% HCl acid	901.5' - 902.5'

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

TICKET NUMBER 13465  
 LOCATION EUREKA  
 FOREMAN KEVIN McCoy

TREATMENT REPORT & FIELD TICKET  
 CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY		
1-15-08	4758	GAUT 12-18				MS		
CUSTOMER <b>Layne Energy</b> MAILING ADDRESS P.O. Box 160 CITY SYCAMORE			Gus Jones Rig 3		TRUCK # 445 479		DRIVER Justin SHANNON	
STATE KS			ZIP CODE					

JOB TYPE longstring HOLE SIZE 6 3/4 HOLE DEPTH 1482' CASING SIZE & WEIGHT 4 1/2 10.5" N9W  
 CASING DEPTH 1462' DRILL PIPE \_\_\_\_\_ TUBING \_\_\_\_\_ OTHER \_\_\_\_\_  
 SLURRY WEIGHT 13.9" SLURRY VOL 50 BBL WATER gal/sk 6.1 CEMENT LEFT in CASING 0'  
 DISPLACEMENT 23.3 BBL DISPLACEMENT PSI 600 PSI 1000 Bump Plug RATE \_\_\_\_\_

REMARKS: Safety Meeting: Rig up to 4 1/2 casing. Break circulation w/ 30 BBL fresh water. Pump 6 sks Gel Flush w/ HULLS, 10 BBL water spacer, 5 BBL Dye water. Mixed 200 sks 50/50 Pozmix Cement w/ 2% Gel, 2% CaCl2, Kol-Seal 4"/sk, 3" Cal-Seal/sk, 1/4" Floccle, 1/2% FL-110, 1/4% CAF-38 @ 13.9"/gal, yield 1.40. wait out Pump & Lines. Shut down. Release Plug. Displace w/ 23.3 BBL fresh water. Final Pumping Pressure 600 psi. Bump Plug to 1000 psi. wait 2 minutes. Release Pressure. Float Valve Good. Cement Returns to Surface = 6 BBL Slurry (24 sks) to Pit. Job Complete. Rig down.

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or-PRODUCT	UNIT PRICE	TOTAL
5401	1	PUMP CHARGE	875.00	875.00
5406	40	MILEAGE	3.45	138.00
1124	200 sks	50/50 Pozmix Cement	9.30	1860.00
1118 A	340 "	Gel 2%	.16 "	54.40
1102	340 "	CaCl2 2%	.70 "	238.00
1110 A	800 "	Kol-Seal 4"/sk	.40 "	320.00
1101	600 "	Cal-Seal 3"/sk	.35 "	210.00
1107	50 "	Floccle 1/4"/sk	1.98 "	99.00
1135	84 "	FL 110 1/2%	7.15	600.60
1146	42 "	CAF-38 1/4%	7.30	306.60
1118 A	300 "	Gel Flush	.16 "	48.00
1105	50 "	Hulls	.37 "	18.50
5407 A	8.4 Tons	40 miles Bulk Truck	1.14	308.04
4404	1	4 1/2 Top Rubber Plug	42.00	42.00
		Sub Total		5198.14
		SALES TAX 5.3%		201.00
		ESTIMATED TOTAL		5399.14

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THANK YOU  
 219651  
 TITLE Layne Co. Rep.

AUTHORIZATION Witnessed By Jacob

DATE \_\_\_\_\_  
 5399.38

# Daily Well Work Report

GAUT 12-18  
1/14/2008

**Well Location:**  
MONTGOMERY KS  
31S-15E-18 NW SW  
1862FSL / 574FWL

**Cost Center** G01050200100  
**Lease Number** G010502  
**Property Code** KSSY31S15E1812  
**API Number** 15-125-31500

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Spud Date	RDMO Date	First Compl	First Prod	EFM Install	CygnnetID
1/10/2008	1/14/2008	3/5/2008	3/12/2008	3/12/2008	GAUT_12_18
TD	PBTD	Sf Csg Depth	Pr Csg Depth	Tbg Size	Csg Size
1482	1463	21	1463	0	0

<b>Reported By</b> KRD	<b>Rig Number</b>	<b>Date</b> 1/10/2008
<b>Taken By</b> KRD		<b>Down Time</b>
<b>Present Operation</b> DRILL OUT FROM UNDER SURFACE		<b>Contractor</b> THORNTON ROTARY

## Narrative

MIRU THORNTON ROTARY, DRILLED 11" HOLE, 21' DEEP, RIH W/ 1 JT 8 5/8" SURFACE CASING, MIXED 8 SX TYPE 1 CEMENT, DUMPED DOWN THE BACKSIDE. SDFN.  
DWC: \$2,880 CWC:\$2,880

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**GEOLOGIC REPORT**

LAYNE ENERGY  
Gaut 12-18  
NW SW, 1862 FSL, 574 FWL  
Section 18-T31S-R15E  
Montgomery County, KS

Spud Date: 1/10/2008  
Drilling Completed: 1/14/2008  
Logged: 1/14/2008  
A.P.I. #: 15125315000000  
Ground Elevation: 961'  
Depth Driller: 1482'  
Depth Logger: 1482'  
Surface Casing: 8.625 inches at 21'  
Production Casing: 4.5 inches at 1463'  
Cemented Job: 0  
Open Hole Logs: Dual Induction SFL/GR, Litho Density /  
Neutron Logs

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<b>Formation</b>	<b>Tops</b>	
	<b>(below ground)</b>	<b>(subsea)</b>
Surface (South Bend Limestone Member)		961
Lansing Group	905	56
Pawnee Limestone	1,040	-79
Excello Shale	1,096	-135
"V" Shale	1,143	-182
Mineral Coal	1,394	-433
Mississippian		

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