

CONFIDENTIAL

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

ORIGINAL

Form ACO-1  
September 1999  
Form Must Be Typed

5/27/10

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: Thornton Air Rotary

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. \_\_\_\_\_

2/7/2008 2/8/2008 3/3/2008

Spud Date or \_\_\_\_\_ Date Reached TD \_\_\_\_\_ Completion Date or \_\_\_\_\_  
Recompletion Date \_\_\_\_\_ Recompletion Date

API No. 15 - 205-27393-00-00

County: Wilson

\_\_\_\_\_ SE \_\_\_\_\_ NE \_\_\_\_\_ NE Sec. 35 Twp. 30 S. R. 16  East  West

1090 feet from S /  (N) Line of Section

403 feet from  (E) W Line of Section

Footages Calculated from Nearest Outside Section Corner:

(circle one)  NE SE NW SW

Lease Name: Hanke Well #: 1-35

Field Name: Cherokee Basin Coal Area

Producing Formation: Cherokee Coals

Elevation: Ground: 897 Kelly Bushing: \_\_\_\_\_

Total Depth: 943' Plug Back Total Depth: 939'

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 939

feet depth to Surface w/ 130 sx cmt.

Drilling Fluid Management Plan AA II M6-20-09  
(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.: \_\_\_\_\_

**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: 5-27-2008

Subscribed and sworn to before me this 27 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: \_\_\_\_\_

Wireline Log Received **RECEIVED**  
KANSAS CORPORATION COMMISSION  
Geologist Report Received

**MacLAUGHLIN DARLING**  
Notary Public - State of Kansas  
My Appt. Expires 1-4-2009

**MAY 28 2008**

CONSERVATION DIVISION  
WICHITA, KS

Operator Name: Layne Energy Operating, LLC Lease Name: Hanke Well #: 1-35  
 Sec. 35 Twp. 30 S. R. 16  East  West County: Wilson

**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>594 GL</td> <td>303</td> </tr> <tr> <td>Excello Shale</td> <td>723 GL</td> <td>174</td> </tr> <tr> <td>V-Shale</td> <td>776 GL</td> <td>121</td> </tr> <tr> <td>Mineral Coal</td> <td>814 GL</td> <td>83</td> </tr> </table>	Name	Top	Datum	Pawnee Lime	594 GL	303	Excello Shale	723 GL	174	V-Shale	776 GL	121	Mineral Coal	814 GL	83
Name	Top	Datum														
Pawnee Lime	594 GL	303														
Excello Shale	723 GL	174														
V-Shale	776 GL	121														
Mineral Coal	814 GL	83														

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	20'	Class A	4	Type 1 cement
Casing	6.75"	4.5"	10.5	939'	Thick Set	130	50/50 posmix w/2% gel

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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		KCC		

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	<b>RECEIVED</b> KANSAS CORPORATION COMMISSION  <b>MAY 28 2008</b>  CONSERVATION DIVISION WICHITA, KS	

TUBING RECORD	Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	2-3/8"	904'		
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	16	0	

Disposition of Gas	METHOD OF COMPLETION	Production Interval
<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) _____	_____

# GEOLOGIC REPORT

LAYNE ENERGY  
Hanke 1-35  
NE NE, 1090 FNL, 403 FEL  
Section 35-T30S-R16E  
Wilson County, KS

Spud Date: 2/7/2008  
Drilling Completed: 2/8/2008  
Logged: 2/8/2008  
A.P.I. #: 15205273930000  
Ground Elevation: 897'  
Depth Driller: 943'  
Depth Logger: 943'  
Surface Casing: 8.625 inches at 20'  
Production Casing: 4.5 inches at 939'  
Cemented Job: Consolidated  
Open Hole Logs: Dual Induction SFL/GR, Litho Density /  
Neutron Logs

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Formation	Tops	
	(below ground)	(subsea)
	Surface (Chanute Shale)	897
Kansas City Group	594	303
Pawnee Limestone	723	174
Excello Shale	776	121
"V" Shale	814	83
Mineral Coal		
Mississippian		

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MAY 28 2008

CONSERVATION DIVISION  
WICHITA, KS

# Daily Well Work Report

HANKE 1-35

2/8/2008

**Well Location:**  
WILSON KS  
30S-16E-35 SE NE NE  
1090FNL / 403FEL

**Cost Center** C01034500100  
**Lease Number** C010345  
**Property Code** KSCV30S16E3501  
**API Number** 15-205-27393

Spud Date	RDMO Date	First Compl	First Prod	EFM Install	CygnnetID
2/7/2008	2/8/2008	3/3/2008	3/12/2008	3/12/2008	HANKE_1_35

TD	PBTD	Sf Csg Depth	Pr Csg Depth	Tbg Size	Csg Size
943	939	20	939	0	0

<b>Reported By</b> KRD	<b>Rig Number</b>	<b>Date</b> 2/7/2008
<b>Taken By</b> KRD		<b>Down Time</b>
<b>Present Operation</b> DRILL OUT FROM UNDER SURFACE		<b>Contractor</b> THORNTON

## Narrative

MIRU THORNTON, DRILLED 11" HOLE, 20' DEEP, RIH W/ 1 JT 8 5/8" SURFACE CASING, MIXED 4 SX TYPE 1 CEMENT, DUMPED DOWN THE BACKSIDE. SDFN.  
DWC:\$2880

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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

*KU*  
*mcj*  
*5/28/08*

TICKET NUMBER 13601  
 LOCATION EUREKA  
 FOREMAN KEVIN MCCOY

TREATMENT REPORT & FIELD TICKET  
 CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
2-12-08	4758	HANKEY 1-35				Wilson
CUSTOMER Layne Energy		Gus Jones Rig 1				
MAILING ADDRESS P.O. Box 160						
CITY Sycamore	STATE KS	ZIP CODE				

TRUCK #	DRIVER	TRUCK #	DRIVER
445	JUSTIN		
502	HEATH		

JOB TYPE Longstring HOLE SIZE 6 3/4" HOLE DEPTH 943' CASING SIZE & WEIGHT 4 1/2 10-5" NEW  
 CASING DEPTH 939' DRILL PIPE \_\_\_\_\_ TUBING \_\_\_\_\_ OTHER \_\_\_\_\_  
 SLURRY WEIGHT 13.9" SLURRY VOL 22 BBL WATER gal/sk 6.1 CEMENT LEFT in CASING 0'  
 DISPLACEMENT 15 BBL DISPLACEMENT PSI 500  PSI 1000 Bump Plug RATE \_\_\_\_\_

REMARKS: Safety Meeting: Rig up to 4 1/2 casing w/ wash head. BREAK circulation w/ 20 BBL fresh water. wash down 40' casing. Pump 4 sks Gel flush w/ Halls, 10 BBL water spacer, 5 BBL dye water. Shut down. Rig up Cement head. Mixed 130 sks 50/50 Pozmix Cement w/ 2% Gel, 2% CACL2, 4" Kol-Seal, 3" CAL-Seal, 1/4" Flocc, 1/2% FL-110, 1/4% CAF-38 @ 13.9" / gal, yield 1.40. wash out Pump & Lines. Shut down. Release Plug. Displace w/ 15 BBL fresh water. Final Pumping Pressure 500 PSI. Bump Plug to 1000 PSI. wait 2 minutes. Release Pressure. Float Held. Good Cement Returns to SURFACE = 6 BBL Slurry (24 sks) To Pit. Job Complete. Rig down.

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ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
5401	1	PUMP CHARGE CONSERVATION DIVISION	875.00	875.00
5406	40	MILEAGE WICHITA, KS	3.45	138.00
1124	130 SKS	50/50 Pozmix Cement	9.30	1209.00
1118 A	220 *	Gel 2%	.16 *	35.20
1102	220 *	CACL2 2%	.70 *	154.00
1110 A	520 *	Kol-Seal 4"/sk	.40 *	208.00
1101	390 *	CAL-Seal 3"/sk	.35 *	136.50
1107	32 *	Flocc 1/4" /sk	1.98 *	63.36
1135	55 *	FL-110 1/2%	7.15 *	392.25
1146	27 *	CAF-38 1/4%	7.30 *	197.10
1118 A	200 *	Gel Flush	.16 *	32.00
1105	50 *	Halls	.37 *	18.50
5407	5.46 Tons	Ton Mileage Bulk Truck	MIC	300.00
4404	1	4 1/2 Top Rubber Plug	42.00	42.00
			Sub Total	3801.91
			SALES TAX 6.3%	156.88
			ESTIMATED TOTAL	3958.79

THANK YOU  
 220194  
 Layne Co. Rep.

AUTHORIZATION Called By Jacob

DATE \_\_\_\_\_  
 3958.72