

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

6/26/10

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 Rotary
License: 33606

API No. 15 - 125-31552-00-00
County: Montgomery
W2 SE NE NW Sec. 4 Twp. 32 S. R. 14 East West
920 feet from S / (circle one) Line of Section
2240 feet from E / (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: John Well #: 3-4
Field Name: Cherokee Basin Coal Area

Wellsite Geologist: _____
Designate Type of Completion: JUN 26 2008
 New Well Re-Entry Workover
 Oil SWD SIQW Temp. Abd.
 Gas ENHR SIGW
 Dry Other (Core, WSW, Expl., Cathodic, etc)
If Workover/Re-entry: Old Well Info as follows: _____

Producing Formation: Cherokee Coals
Elevation: Ground: 856' Kelly Bushing: _____
Total Depth: 1462' Plug Back Total Depth: 1460'
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 1460
feet depth to Surface w/ 205 sx cmt.

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. _____

Drilling Fluid Management Plan AH INT-1509
(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.: _____

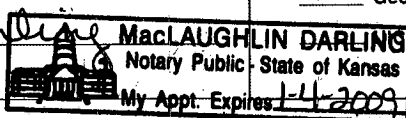
3/13/2008 3/17/2008 3/28/2008
Spud Date or Recompletion Date Date Reached TD Completion Date or Recompletion Date

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: 6-26-08
Subscribed and sworn to before me this 26 day of June, 2008.
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
 Geologist Report Received
RECEIVED
KANSAS CORPORATION COMMISSION
JUN 27 2008
Distribution _____
My Appt. Expires 1-4-2009



Operator Name: Layne Energy Operating, LLC Lease Name: John Well #: 3-4
 Sec. 4 Twp. 32 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 <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>911 GL</td> <td>-55</td> </tr> <tr> <td>Excello Shale</td> <td>1059 GL</td> <td>-203</td> </tr> <tr> <td>V-Shale</td> <td>1110 GL</td> <td>-254</td> </tr> <tr> <td>Mineral Coal</td> <td>1156 GL</td> <td>-300</td> </tr> <tr> <td>Mississippi</td> <td>1446 GL</td> <td>-590</td> </tr> </table>	Name	Top	Datum	Pawnee Lime	911 GL	-55	Excello Shale	1059 GL	-203	V-Shale	1110 GL	-254	Mineral Coal	1156 GL	-300	Mississippi	1446 GL	-590
Name	Top	Datum																	
Pawnee Lime	911 GL	-55																	
Excello Shale	1059 GL	-203																	
V-Shale	1110 GL	-254																	
Mineral Coal	1156 GL	-300																	
Mississippi	1446 GL	-590																	

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	21'	Class A	4	Type 1 cement
Casing	6.75"	4.5"	10.5	1460'	Thick Set	205	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				

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		

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 WICHITA, KS

TUBING RECORD	Size <u>2-3/8"</u>	Set At <u>1424'</u>	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr. <u>4/7/2008</u>		Producing Method <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. <u>0</u>	Gas Mcf <u>6</u>	Water Bbls. <u>6</u>	Gas-Oil Ratio

Disposition of Gas Vented Sold Used on Lease *(If vented, Submit ACO-18.)*

METHOD OF COMPLETION Open Hole Perf. Dually Comp. Commingled _____

Production Interval Other (Specify) _____

Operator Name:	Layne Energy Operating, LLC.		
Lease Name:	John 3-4		
	Sec. 4 Twp. 32S Rng. 14E, Montgomery County		
API:	15-125-31552-00-00		
Shots per Foot	Perforation Record	Acid, Fracture, Shot, Cement Squeeze Record	Depth
Initial Perforations (March 2008)			
4	Rowe 1377.5' - 1379'	2400 lbs 20/40 sand 191 bbls water 300 gals 15% HCl acid	1377.5' - 1379'
4	Scammon 1172.5' - 1174' Mineral 1156' - 1157.5'	5000 lbs 20/40 sand 320 bbls water 400 gals 15% HCl acid	1156' - 1174'
4	Croweburg 1110.5' - 1113' Iron Post 1089' - 1090'	6200 lbs 20/40 sand 354 bbls water 400 gals 15% HCl acid	1089' - 1113'
4	Mulky 1060' - 1064.5'	6400 lbs 20/40 sand 361 bbls water 200 gals 15% HCl acid	1060' - 1064.5'
4	Summit 1037.5' - 1039'	1500 lbs 20/40 sand 460 bbls water 300 gals 15% HCl acid	1037.5' - 1039'

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CONSERVATION DIVISION
WICHITA, KS

Daily Well Work Report

JOHN 3-4
3/13/2008

Well Location:
MONTGOMERY KS
32S-14E-4 W2 SE NE NW
920FNL / 2240FWL

Cost Center G01068100100
Lease Number G010681
Property Code KSSY32S14E0403
API Number 15-125-31552

Spud Date	RDMO Date	First Compl	First Prod	EFM Install	CygnnetID
3/13/2008	3/17/2008	3/28/2008	4/7/2008	4/2/2008	JOHN_3_4
TD	PBTD	Sf Csg Depth	Pr Csg Depth	Tbg Size	Csg Size
1462	1460	21	1460	0	0

Reported By KRD **Rig Number** **Date** 3/13/2008
Taken By KRD **Down Time**
Present Operation DRILL OUT SURFACE **Contractor** THORNTON

Narrative

MIRU THORNTON, DRILLED 11" HOLE, 21' 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
Patterson

Tuesday, June 24, 2008

GEOLOGIC REPORT

LAYNE ENERGY
John 3-4
NE NW, 920 FNL, 2240 FWL
Section 4-T32S-R14E
Montgomery County, KS

Spud Date: 3/13/2008
Drilling Completed: 3/17/2008
Logged: 3/17/2008
A.P.I. #: 15125315520000
Ground Elevation: 856'
Depth Driller: 1462'
Depth Logger: 1463'
Surface Casing: 8.625 inches at 21'
Production Casing: 4.5 inches at 1460'
Cemented Job: Consolidated
Open Hole Logs: Dual Induction SFL/GR, Litho Density /
Neutron Logs

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Formation	Tops	
	(below ground)	(subsea)
	Surface (South	
	Bend Limestone	
Lansing Group	Member)	856
Pawnee Limestone	911	-55
Excello Shale	1,059	-203
"V" Shale	1,110	-254
Mineral Coal	1,156	-300
Mississippian	1,446	-590

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CONSERVATION DIVISION
WICHITA, KS

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

TICKET NUMBER 13657
 LOCATION Eureka
 FOREMAN Troy Strickler

TREATMENT REPORT & FIELD TICKET
 CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
5-18-08	4758	Johns 3-4				MG

CUSTOMER <u>Layne Energy</u>		
MAILING ADDRESS <u>P.O. Box 160</u>		
CITY <u>Sycamore</u>	STATE <u>Ks</u>	ZIP CODE

Bus Jones

TRUCK #	DRIVER	TRUCK #	DRIVER
445	Justin		
515	Jerrid		

JOB TYPE Logstring HOLE SIZE 6 3/4" HOLE DEPTH 1462' CASING SIZE & WEIGHT 4 1/2" 105"
 CASING DEPTH 1460 DRILL PIPE _____ TUBING _____ OTHER _____
 SLURRY WEIGHT 13.9# SLURRY VOL 5184 WATER gal/sk 6.1 CEMENT LEFT in CASING 0'
 DISPLACEMENT 23.281 DISPLACEMENT PSI 700 MIX PSI 1200 RATE _____

REMARKS: Safety Meeting: Rig up to 4 1/2" casing. Break circulation w/ 2500 water.
Pump back Gel - Flush w/ Hulls, 10800 water, 5800 Dye, Mixed 205sk 50/50
foz-mix w/ 2% Gel, 2% Cacl₂, 4# Kal-Seal Per/oz, 3# Cal-Seal 3"/oz, 1/4" Floccle 1/2", 1/2%
FL-110, + 1/4% CAF-38 @ 13.9# Pgal. Wash out Pump + lines. Release Plug
Displace w/ 23.281 water. Final Pumping Pressure 700 PSI Bump P/ to 1200 PSI.
wait 2mins. Release Pressure. Final Hold. Good Cement to surface = 1000
slurry to pit.

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Job Complete JUN 26 2008

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ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
5401	1	PUMP CHARGE	875.00	875.00
5406	46	MILEAGE	3.45	138.00
1124	205sk	50/50 foz-mix	9.30	1906.50
1118A	345#	Gel 2%	.16"	55.20
1102	345#	Cacl ₂ 2%	.70	241.50
1110A	820#	Kal-Seal 4#/sk	.40"	328.00
1101	615#	Cal-Seal 3#/oz	.35"	215.25
1107	50#	Floccle 1/4#/sk	1.98"	99.00
1135	85#	FL-110 1/2%	7.15"	607.75
1146	45#	CAF - 38 1/4%	7.30"	328.50
1118A	300#	Gel-Flush	.16"	48.00
1105	50#	Hulls	.37"	18.50
5407A	8.61 Ton	Ton Mileage	1.14	972.62
4404	1	4 1/2" Top Rubber P/	42.00	42.00
		Thank You!	SubTotal	5295.82
			SALES TAX 5.3%	206.18
			ESTIMATED TOTAL	5502.00

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 WICHITA, KS

220139

AUTHORIZATION Called by Jacob TITLE Co-Rep DATE _____