

ORIGINAL

Form ACO-1
September 1999
Form Must Be Typed

CONFIDENTIAL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

WELL COMPLETION FORM

WELL HISTORY - DESCRIPTION OF WELL & LEASE

6/26/08

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, Expi., Cathodic, etc)

If Workover/Re-entry: Old Well Info as follows: _____

Operator: _____ JUN 26 2008

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>3/25/2008</u> Spud Date or Recompletion Date	<u>3/27/2008</u> Date Reached TD	<u>5/28/2008</u> Completion Date or Recompletion Date
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API No. 15 - 019-26881-00-00

County: Chautauqua

NE NE SE Sec. 22 Twp. 32 S. R. 13 East West

2165 feet from N (circle one) Line of Section

403 feet from W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:

(circle one) NE SE NW SW

Lease Name: Keely Well #: 9-22

Field Name: Cherokee Basin Coal Area

Producing Formation: Cherokee Coals

Elevation: Ground: 980' Kelly Bushing: _____

Total Depth: 1697' Plug Back Total Depth: 1690'

Amount of Surface Pipe Set and Cemented at 42 Feet

Multiple Stage Cementing Collar Used? Yes No

If yes, show depth set _____ Feet

If Alternate II completion, cement circulated from 1690

feet depth to Surface w/ 225 sx cmt.

Drilling Fluid Management Plan AFIN 7-409
(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: 6-26-08

Subscribed and sworn to before me this 26 day of June

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**
 Geologist Report Received **RECEIVED**
KANSAS CORPORATION COMMISSION
Distribution **JUN 27 2008**
My Appt. Expires 1-4-2009

Operator Name: Layne Energy Operating, LLC Lease Name: Keely Well #: 9-22
 Sec. 22 Twp. 32 S. R. 13 East West County: Chautauqua

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 checked="" type="checkbox"/> Yes <input 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>1159 GL</td> <td>-179</td> </tr> <tr> <td>Excello Shale</td> <td>1300 GL</td> <td>-320</td> </tr> <tr> <td>V-Shale</td> <td>1347 GL</td> <td>-367</td> </tr> <tr> <td>Mineral Coal</td> <td>1393 GL</td> <td>-413</td> </tr> <tr> <td>Mississippian</td> <td>1684 GL</td> <td>-704</td> </tr> </table>	Name	Top	Datum	Pawnee Lime	1159 GL	-179	Excello Shale	1300 GL	-320	V-Shale	1347 GL	-367	Mineral Coal	1393 GL	-413	Mississippian	1684 GL	-704
Name	Top	Datum																	
Pawnee Lime	1159 GL	-179																	
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V-Shale	1347 GL	-367																	
Mineral Coal	1393 GL	-413																	
Mississippian	1684 GL	-704																	

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	42'	Class A	8	Type 1 cement
Casing	6.75"	4.5"	10.5	1690'	Thick Set	225	50/50 posmix w/2% gel

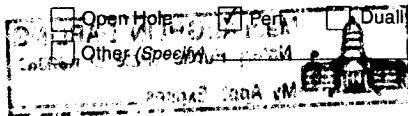
ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
<input type="checkbox"/> Perforate <input type="checkbox"/> Protect Casing <input type="checkbox"/> Plug Back TD <input type="checkbox"/> Plug Off Zone				

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 <u>2-3/8"</u>	Set At <u>1477'</u>	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr. <u>6/5/2008</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>14</u>	Water Bbls. <u>0</u>	Gas-Oil Ratio

Disposition of Gas METHOD OF COMPLETION Production Interval

Vented Sold Used on Lease Open Hole Perforated Dual Comp. Commingled
(If vented, Submit ACO-18.) *Other (Specify)*



Operator Name:	Layne Energy Operating, LLC.		
Lease Name:	Keely 9-22		
	Sec. 22 Twp. 32S Rng. 13E, Chautauqua County		
API:	15-019-29881-00-00		
Shots per Foot	Perforation Record	Acid, Fracture, Shot, Cement Squeeze Record	Depth
Initial Perforations (May 2008)			
4	Mineral 1393' - 1394' Croweburg 1348' - 1350.5' Iron Post 1328' - 1329.5'	6500 lbs 20/40 sand 579 bbls water 720 gals 15% HCl acid	1328' - 1394'
4	Mulky 1302.5' - 1306.5'	5500 lbs 20/40 sand 268 bbls water 290 gals 15% HCl acid	1302.5' - 1306.5'
4	Summit 1278' - 1279.5'	2400 lbs 20/40 sand 192 bbls water 300 gals 15% HCl acid	1278' - 1279.5'

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CONSERVATION DIVISION
WICHITA, KS

Daily Well Work Report

KEELY 9-22
3/25/2008

Well Location:
CHAUTAUQUA KS
32S-13E-22 NE SE
2165FSL / 403FEL

Cost Center G01026300100
Lease Number G010263
Property Code KSLE32S13E2209
API Number 15-019-26881

Spud Date	RDMO Date	First Compl	First Prod	EFM Install	CygnnetID
3/25/2008	3/27/2008	5/28/2008	6/5/2008	6/4/2008	KEELY_9_22

TD	PBTD	Sf Csg Depth	Pr Csg Depth	Tbg Size	Csg Size
1697	1689.6	42	1689.6		

Reported By KRD	Rig Number	Date 3/25/2008
Taken By KRD		Down Time
Present Operation DRILL OUT FROM UNDER SURFACE		Contractor THORNTON

Narrative

MIRU THORNTON, DRILLED 11" HOLE, 42' DEEP, RIH W/ 2 JT 8 5/8" SURFACE CASING, MIXED 8 SX TYPE 1 CEMENT, DUMPED DOWN THE BACKSIDE. SDFN.
DWC:\$3,160

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Wednesday, June 25, 2008

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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 13797
 LOCATION EUREKA
 FOREMAN KEVIN MCCOY

TREATMENT REPORT & FIELD TICKET
 CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
3-28-08	4758	Keeley 9-22				Go
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		
			479	Shannon		

JOB TYPE Longstring HOLE SIZE 6 3/4 HOLE DEPTH 1698' CASING SIZE & WEIGHT 4 1/2 10.5" NEW
 CASING DEPTH 1689' DRILL PIPE _____ TUBING _____ OTHER _____
 SLURRY WEIGHT 13.9* SLURRY VOL 59 BBL WATER gal/sk 6.1 CEMENT LEFT in CASING 0'
 DISPLACEMENT 27.1 BBL DISPLACEMENT PSI 900 - ~~MAX~~ PSI 1400 Bump Plug RATE _____

REMARKS: Safety meeting: Rig up to 4 1/2 casing w/ wash head. BREAK circulation w/ 35 BBL fresh water. wash down 10' casing. Pump 6 sks Gel flush w/ HULLS, 15 BBL water spacer, 5 BBL dye water. Shut down. Rig up Cement Head. Mixed 235 sks 50/50 Pozmix Cement w/ 2% Gel, 2% CaCl2, 4" Kol-Seal, 3" CAL-Seal, 1/4" Flocele, 1/2% FL-110, 1/4% CAF-38 @ 13.9*/gal, yield 1.40. wash out Pump & Lines. Shut down. Release Plug. Displace w/ 27.1 BBL fresh water. FINAL Pumping Pressure 900 PSI. Bump Plug to 1400 PSI. wait 2 minutes. Release Pressure. Float Held. Good Cement Returns to Surface = 10 BBL Slurry (40 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	875.00	875.00
5406	40	MILEAGE	3.45	138.00
1124	235 sks	50/50 Pozmix Cement	9.30	2185.50
1118 A	400 *	Gel 2%	.16 *	64.00
1102	400 *	CaCl2 2%	.70 *	280.00
1110 A	940 *	Kol-Seal 4"/sk	.40 *	376.00
1101	700 *	CAL-Seal 3"/sk	.35 *	245.00
1107	59 *	Flocele 1/4"/sk	1.98 *	116.82
1135	100 *	FL-110 1/2%	7.15 *	715.00
1146	50 *	CAF-38 1/4%	7.30 *	365.00
		RECEIVED KANSAS CORPORATION COMMISSION		
1118 A	300 *	Gel flush	.16 *	48.00
1105	50 *	Hulls	.37 *	18.50
5407 A	9.87 tons	40 miles Bulk Truck	1.14	450.07
4404	1	4 1/2 Top Rubber Plug	42.00	42.00
		Sub Total		5918.89
		THANK You	6.3%	SALES TAX 280.74
				ESTIMATED TOTAL 6199.63

AUTHORIZATION Jack M...

TITLE _____

DATE _____

220944

GEOLOGIC REPORT

LAYNE ENERGY
Keely 9-22
NE SE, 2165 FSL, 403 FEL
Section 22-T32S-R13E
Chautauqua County, KS

Spud Date: 3/25/2008
Drilling Completed: 3/27/2008
Logged: 3/27/2008
A.P.I. #: 15019268810000
Ground Elevation: 980'
Depth Driller: 1697'
Depth Logger: 1698'
Surface Casing: 8.625 inches at 42'
Production Casing: 4.5 inches at 1690'
Cemented Job: Consolidated
Open Hole Logs: Dual Induction SFL/GR, High Resolution
Compensated Density/Neutron

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Formation	Tops	
	(below ground)	(subsea)
	Surface (Lawrence Formation)	980
Douglas Group	1,159	-179
Pawnee Limestone	1,300	-320
Excello Shale	1,347	-367
"V" Shale	1,393	-413
Mineral Coal	1,684	-704
Mississippian		

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