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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

7/21/08

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: McPherson Drilling
License: 5675

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)

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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.
4/21/2008 4/22/2008 6/16/2008
Spud Date or Date Reached TD Completion Date or Recompletion Date

API No. 15 - 125-31582-00-00
County: Montgomery
NE NW Sec. 7 Twp. 31 S. R. 17 East West
428 feet from S / (N) (circle one) Line of Section
4034 feet from E / (W) (circle one) Line of Section
Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE (NW) SW
Lease Name: Friess L Well #: 3-7

Field Name: Cherokee Basin Coal Area
Producing Formation: Cherokee Coals
Elevation: Ground: 919' Kelly Bushing:
Total Depth: 1185' Plug Back Total Depth: 1184.7'
Amount of Surface Pipe Set and Cemented at 21.5 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set Feet
If Alternate II completion, cement circulated from 1184.7 feet depth to Surface w/ 165 sx cmt.

Drilling Fluid Management Plan A-H-NH 9-3-08
(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: [Signature]
Title: Agent Date: 7-21-08
Subscribed and sworn to before me this 21 day of July 2008.
Notary Public: MacLaughlin Darling
Date Commission Expires: 1-4-2009

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

KCC Office Use ONLY
 Letter of Confidentiality Attached
If Denied, Yes Date:
 Wireline Log Received
 Geologist Report Received
 UIC Distribution
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CONSERVATION DIVISION
WICHITA, KS

Operator Name: Layne Energy Operating, LLC Lease Name: Friess L Well #: 3-7
 Sec. 7 Twp. 31 S. R. 17 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 <i>(Attach Additional Sheets)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum	<input type="checkbox"/> Sample
Samples Sent to Geological Survey	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Name	Top Datum
Cores Taken	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Pawnee Lime	604 GL 315
Electric Log Run <i>(Submit Copy)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Excello Shale	742 GL 178
List All E. Logs Run:		V-Shale	797 GL 122
Compensated Density Neutron		Mineral Coal	835 GL 84
Dual Induction		Mississippian	1172 GL -253

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JUL 21 2008 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"	8.625"	24	21.5'	Class A	4	Type 1 cement
Casing	6.75"	4.5"	10.5	1184.7'	Thick Set	165	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 <i>(Amount and Kind of Material Used)</i>	Depth
	See Attached Page		

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TUBING RECORD	Size 2-3/8"	Set At 1163'	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr. Shut-In	Producing Method <input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)			
Estimated Production Per 24 Hours	Oil Bbls. 0	Gas Mcf	Water Bbls.	Gas-Oil Ratio Gravity

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) _____

Operator Name:	Layne Energy Operating, LLC.		
Lease Name:	Friess L 3-7		
	Sec. 7 Twp. 31S Rng. 17E, Montgomery County		
API:	15-125-31582-00-00		
Shots per Foot	Perforation Record	Acid, Fracture, Shot, Cement Squeeze Record	Depth
Initial Perforations (June 2008)			
4	Riverton 1148' - 1150.5'	3000 lbs 20/40 sand 191 bbls water 300 gals 15% HCl acid	1148' - 1150.5'
4	Mineral 835' - 836.5'	2600 lbs 20/40 sand 170 bbls water 150 gals 15% HCl acid	835' - 836.5'
4	Croweburg 797' - 800.5' Iron Post 772.5' - 774.5'	7200 lbs 20/40 sand 371 bbls water 400 gals 15% HCl acid	772.5' - 800.5'
4	Mulky 742' - 747.5'	6100 lbs 20/40 sand 388 bbls water 380 gals 15% HCl acid	742' - 747.5'
4	Summit 719' - 721'	2700 lbs 20/40 sand 171 bbls water 150 gals 15% HCl acid	719' - 721'

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GEOLOGIC REPORT

LAYNE ENERGY

Friess 3-7

NE NW, 428 FNL, 4034 FWL

Section 7-T31S-R17E

Montgomery County, KS

Spud Date: 4/21/2008
Drilling Completed: 4/22/2008
Logged: 4/22/2008
A.P.I. #: 15125315820000
Ground Elevation: 919'
Depth Driller: 1185'
Depth Logger: 1185'
Surface Casing: 8.625 inches at 21.5'
Production Casing: 4.5 inches at 1184.7'
Cemented Job: 0
Open Hole Logs: Dual Induction SFL/GR, Litho Density /
Neutron Logs

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Formation	Tops	
	(below ground)	(subsea)
Kansas City Group	Surface (Cottege	
Pawnee Limestone	Grove Sandstone)	919
Excello Shale	604	315
"V" Shale	742	178
Mineral Coal	797	122
Mississippian	835	84
	1,172	-253

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Daily Well Work Report

FRIESS L 3-7

4/22/2008

Well Location:
MONTGOMERY KS
31S-17E-7 NE NW
428FNL / 4034FWL

Cost Center C01014600200
Lease Number C010146
Property Code KSCV31S17E0703
API Number 15-125-31582

Spud Date	RDMO Date	First Compl	First Prod	EFM Install	CygnnetID
4/21/2008	4/22/2008	6/16/2008			FRIESS_3_7

TD	PBTD	Sf Csg Depth	Pr Csg Depth	Tbg Size	Csg Size
1185	1184.7	21.5	1184.7	0	0

Reported By KRD

Taken By KRD

Present Operation

DRILL OUT SURFACE

Rig Number
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Date 4/21/2008

Down Time

Contractor MCPHERSON

Narrative

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MIRU MCPHERSON, DRILLED 11" HOLE, 21.5' 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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CONSOLIDATED OIL WELL SERVICES, LLC
 P.O. BOX 884, CHANUTE, KS 66720
 620-431-9210 OR 800-467-8676

TICKET NUMBER 13907
 LOCATION EUREKA
 FOREMAN RICK LEWIS

7/24/08
TREATMENT REPORT & FIELD TICKET
CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY	
4-23-08	4758	FREEZE L. 3-7 (FRIESE)				MC	
CUSTOMER Loyne Energy			Gus Jones	TRUCK #	DRIVER	TRUCK #	DRIVER
MAILING ADDRESS P.O. Box 166				463	Kyle		
CITY Sycamore				502	Phillip		
STATE KS							

JOB TYPE longstring HOLE SIZE 6 3/4" HOLE DEPTH 1185' CASING SIZE & WEIGHT 4 1/2" 10.5"
 CASING DEPTH 1184' DRILL PIPE _____ TUBING _____ OTHER _____
 SLURRY WEIGHT 13.9" SLURRY VOL 41 bbl WATER gal/sk 6' CEMENT LEFT in CASING 0'
 DISPLACEMENT 18.8 bbl DISPLACEMENT PSI 500 ^{conf} ~~PSI~~ 1000 RATE _____

REMARKS: Safety meeting. Rig up to 4 1/2" casing. Break circulation w/ 25 bbl fresh water. Pump 6 sacks gel-flush w/ hulls, 15 bbl water spacer, 5 bbl dye water. Mixed 165 sacks 50/50 Permiv cement w/ 270 gal, 270 ccs, 4" col-seal 1/2", 3" col-seal 1/2", 1/4" flask 1/2", 1/2" fl-110 + 1/2" CAF-38 @ 15.7" yield 1.40. Washout pump + lines. shut down. release plug. Diplock w/ 18.8 bbl fresh water. Final pump pressure 500 PSI. Bump plug to 1000 PSI. Wait 2 minutes. release pressure, first held. Good cement returns to surface = 8 bbl slurry to bit. Job complete. Rig down.

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"Thank You"

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	165 sacks	50/50 Permiv cement	9.30	1534.50
1119A	275"	270 gal	.16	44.00
1102	275"	270 ccs	.20	182.50
1110A	660"	Kol-seal 4" 1/2"	.40	264.00
1101	500"	col-seal 3" 1/2"	.35	175.00
1102	40"	Flask 1/4" 1/2"	1.98	79.20
1135	20"	1/2" fl-110	7.15	500.50
1146	35"	1/2" CAF-38	7.30	255.50
1118A	300"	gel-flush	.16	48.00
1105	50"	hulls	.37	18.50
5407A	6.95	tan-mileage bux trk	1.14	316.01
4404	1	4 1/2" top rubber plug	42.00	42.00
5605A	4 hrs	welder	85.00	340.00
			Subtotal	4822.71
			SALES TAX	167.15
			ESTIMATED TOTAL	4989.86

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AUTHORIZATION Jacoby Medlar TITLE 221603 DATE _____