

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

8/19/10

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

Wellsite Geologist: \_\_\_\_\_  
Designate Type of Completion:  
 New Well  Re-Entry  Workover  
 Oil  SWD  SIOW  Temp. Abd.  
 Gas  ENHR  SIGW  
 Dry  Other (Core, WSW, Expl., Cathodic, etc)

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

Operator: \_\_\_\_\_ AUG 19 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>5/13/2008</u>	<u>5/14/2008</u>	<u>6/6/2008</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 125-31606-00-00  
County: Montgomery  
\_\_\_\_\_-\_\_\_\_\_-SW\_NE Sec. 6 Twp. 34 S. R. 16  East  West  
2006 feet from S / (N) (circle one) Line of Section  
1875 feet from (E) W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:  
(circle one) (NE) SE NW SW  
Lease Name: Howard Well #: 7-6  
Field Name: Cherokee Basin Coal Area

Producing Formation: Cherokee Coals  
Elevation: Ground: 902' Kelly Bushing: \_\_\_\_\_  
Total Depth: 1276' Plug Back Total Depth: 1275'  
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 1275  
feet depth to Surface w/ 200 sx cmt.

Drilling Fluid Management Plan Alt II NH 11-18-08  
(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: 8/18/2008  
Subscribed and sworn to before me this 18 day of August  
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  
 Geologist Report Received

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

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KANSAS CORPORATION COMMISSION  
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CONSERVATION DIVISION  
WICHITA, KS

Operator Name: Layne Energy Operating, LLC Lease Name: Howard Well #: 7-6  
 Sec. 6 Twp. 34 S. R. 16  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	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td><input checked="" type="checkbox"/> Log</td> <td>Formation (Top), Depth and Datum</td> <td><input type="checkbox"/> Sample</td> </tr> <tr> <td>Name</td> <td>Top</td> <td>Datum</td> </tr> <tr> <td>Pawnee Lime</td> <td>626 GL</td> <td>276</td> </tr> <tr> <td>Excello Shale</td> <td>798 GL</td> <td>104</td> </tr> <tr> <td>V-Shale</td> <td>851 GL</td> <td>51</td> </tr> <tr> <td>Mineral Coal</td> <td>902 GL</td> <td>0</td> </tr> <tr> <td>Mississippian</td> <td>--- GL</td> <td>---</td> </tr> </table>	<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample	Name	Top	Datum	Pawnee Lime	626 GL	276	Excello Shale	798 GL	104	V-Shale	851 GL	51	Mineral Coal	902 GL	0	Mississippian	--- GL	---
<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample																				
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Mississippian	--- GL	---																				

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	1275'	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
___ Perforate				
___ Protect Casing				
___ Plug Back TD				
___ 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>			
	See Attached Page	Depth			
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		CONSERVATION DIVISION WICHITA, KS			
TUBING RECORD	Size Set At	Packer At	Liner Run		
	2-3/8" 1258'		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Date of First, Resumerd Production, SWD or Enhr.	Producing Method				
6/20/2008	<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  Vented  Sold  Used on Lease  Open Hole  Perf.  Dually Comp.  Commingled \_\_\_\_\_  
*(If vented, Submit ACO-18.)*  Other (Specify) \_\_\_\_\_

<b>Operator Name:</b>	Layne Energy Operating, LLC.		
<b>Lease Name:</b>	Howard 7-6		
	Sec. 6 Twp. 34S Rng. 16E, Montgomery County		
<b>API:</b>	15-125-31606-00-00		
<b>Shots per Foot</b>	<b>Perforation Record</b>	<b>Acid, Fracture, Shot, Cement Squeeze Record</b>	<b>Depth</b>
<b>Initial Perforations (June 2008)</b>			
4	Riverton 1262.5' - 1265'	3000 lbs 20/40 sand 291 bbls water 600 gals 15% HCl acid	1262.5' - 1265'
4	Weir 968' - 970.5' Mineral 902' - 903'	5100 lbs 20/40 sand 352 bbls water 400 gals 15% HCl acid	902' - 970.5'
4	Croweburg 851.5' - 855' Bevier 838' - 839.5' Iron Post 824' - 825.5'	8200 lbs 20/40 sand 495 bbls water 500 gals 15% HCl acid	824' - 855'

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# GEOLOGIC REPORT

LAYNE ENERGY  
Howard 7-6  
SW NE, 2006 FNL, 1875 FEL  
Section 6-T34S-R16E  
Montgomery County, KS

Spud Date: 5/13/2008  
Drilling Completed: 5/14/2008  
Logged: 5/14/2008  
A.P.I. #: 15125316060000  
Ground Elevation: 902'  
Depth Driller: 1276'  
Depth Logger: 1269'  
Surface Casing: 8.625 inches at 21'  
Production Casing: 4.5 inches at 1274.5'  
Cemented Job: 0  
Open Hole Logs: Dual Induction SFL/GR, Litho Density /  
Neutron Logs

Formation	Tops	
	(below ground)	(subsea)
Kansas City Group	Surface (Cottage	
	Grove Sandstone)	902
Pawnee Limestone	626	276
Excello Shale	798	104
"V" Shale	851	51
Mineral Coal	902	0
Mississippian		

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# Daily Well Work Report

HOWARD 7-6  
5/14/2008

**Well Location:**  
MONTGOMERY KS  
34S-16E-6 SW NE  
2006FNL / 1875FEL

**Cost Center** G01067800100  
**Lease Number** G010678  
**Property Code** KSDC34S16E0607  
**API Number** 15-125-31606

Spud Date	RDMO Date	First Compl	First Prod	EFM Install	CygnnetID
5/13/2008	5/14/2008	6/6/2008	6/20/2008	6/19/2008	HOWARD_7_6
TD	PBTD	Sf Csg Depth	Pr Csg Depth	Tbg Size	Csg Size
1276	1274.5	21	1274.5	0	0

<b>Reported By</b> KRD	<b>Rig Number</b>	<b>Date</b> 5/13/2008
<b>Taken By</b> KRD		<b>Down Time</b>
<b>Present Operation</b> DRILL OUT SURFACE		<b>Contractor</b> THORNTON DRILLING

## Narrative

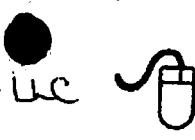
MIRU THORNTON DRILLING, DRILLED 11" HOLE, 21' DEEP, RIH W/ 1 JT 8 5/8" SURFACE CASING, MIXED 4 SX TYPE 1 CEMENT, DUMPED DOWN THE BACKSIDE. SDFN.  
DWC:\$2880

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



**ENTERED**

TICKET NUMBER 14037  
 LOCATION Eureka  
 FOREMAN Troy Strickler

**TREATMENT REPORT & FIELD TICKET  
 CEMENT**

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
5-15-08	4758	Howard 7-6				MG
CUSTOMER <u>Layne Energy</u>			Truck # DRIVER TRUCK # DRIVER 520 Cliff 441 John S			
MAILING ADDRESS <u>P.O. Box 160</u>						
CITY <u>Sycamore</u>	STATE <u>Ks</u>	ZIP CODE				

JOB TYPE Logging HOLE SIZE 6 3/4' HOLE DEPTH 1276' CASING SIZE & WEIGHT 4 1/2" 10.5"  
 CASING DEPTH 1275' DRILL PIPE TUBING OTHER  
 SLURRY WEIGHT 13.9" SLURRY VOL 50 bbl WATER gal/sk 6' CEMENT LEFT in CASING 0'  
 DISPLACEMENT 20.2 bbl DISPLACEMENT PSI 500 MIX PSI 1000 top ply RATE

REMARKS: Safety meeting. Rig up to 4 1/2" casing. Break circulation w/ 50 bbl water. Pump back Gel-Flush w/ Hulls, 10 bbl water, 5 bbl dye, mixed 200 lbs 50/50 Poz-mix Cement w/ 2% Gel, 2% Cacl<sub>2</sub>, 4" Kal-Seal, 3" Cal-Seal, 1/2" Floccle, 1/2% FL-110, + 1/4% CAF-28 @ 13.9" w/ft. Wash out Pump + lines. Release Plug. Displace w/ 20.2 bbl water. Final Pump Pressure 500 PSI. Bump Plug to 1000 PSI wait 2 mins. Release Pressure. Float Held. Good Cement to surface = 6 bbl Slurry to Pit.

Job Complete.

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 Poz-Mix Cement	9.30	1860.00
1118A	335 #	2% Gel	.16 #	53.60
1102	335 #	2% Cacl <sub>2</sub>	.70 #	234.50
1110A	800 #	Kal-Seal 4" / sk	.40 #	320.00
1101	600 #	Cal-Seal 3" / sk	.35 #	210.00
1107	25 #	Floccle 1/2" / sk	1.98 #	49.50
1135	84 #	FL-110 1/2 %	7.15 #	600.60
1146	42 #	CAF-28	7.30 #	306.60
1118A	300 #	Gel-Flush	.16 #	48.00
1105	50 #	Hulls	.37 #	18.50
5407		Top-Mileage	MIC	300.00
4404	1	4 1/2" Top Rubber Ply	42.00	42.00
5605A	4 hrs	Welder	85.00	340.00
4311	1	4 1/2" Weld on Collar	60.00	60.00
			Sub Total	5456.30
		Thank You!	5.3%	SALES TAX 201.57
				ESTIMATED TOTAL 5657.87

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AUTHORIZATION Called by Jacob TITLE Co-Op DATE \_\_\_\_\_