

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  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. \_\_\_\_\_  

<u>5/19/2008</u>	<u>5/21/2008</u>	<u>6/18/2008</u>
Spud Date or	Date Reached TD	Completion Date or
Recompletion Date		Recompletion Date

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API No. 15 - 019-26887-00-00  
 County: Chautauqua  
 \_\_\_\_\_ NE NW Sec. 15 Twp. 32 S. R. 13  East  West  
664 feet from S /  (circle one) Line of Section  
2088 feet from E /  (circle one) Line of Section  
 Footages Calculated from Nearest Outside Section Corner:  
 (circle one) NE SE  (NW) SW  
 Lease Name: Preciado Well #: 3-15  
 Field Name: Cherokee Basin Coal Area  
 Producing Formation: Cherokee Coals  
 Elevation: Ground: 836' Kelly Bushing: \_\_\_\_\_  
 Total Depth: 1527' Plug Back Total Depth: 1526'  
 Amount of Surface Pipe Set and Cemented at 41 Feet  
 Multiple Stage Cementing Collar Used?  Yes  No  
 If yes, show depth set \_\_\_\_\_ Feet  
 If Alternate II completion, cement circulated from 1526  
 feet depth to Surface w/ 210 sx cmf.

Drilling Fluid Management Plan Alt II NH 11-20-08  
 (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: \_\_\_\_\_  
 Title: Agent Date: 8/19/2008  
 Subscribed and sworn to before me this 19 day of August,  
20 08.  
 Notary Public: MacLaughlin Darling  
 Date Commission Expires: 1-9-2009

**KCC Office Use ONLY**  
 Letter of Confidentiality Attached  
 If Denied, Yes  Date: \_\_\_\_\_  
 Wireline Log Received  
 Geologist Report Received  
**RECEIVED**  
 KANSAS CORPORATION COMMISSION  
**AUG 20 2008**

MacLAUGHLIN-DARLING  
 Notary Public - State of Kansas  
 My Appt. Expires 1-9-2009

Operator Name: Layne Energy Operating, LLC Lease Name: Preciado Well #: 3-15  
 Sec. 15 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 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>1034 GL</td> <td>-198</td> </tr> <tr> <td>Excello Shale</td> <td>1168 GL</td> <td>-332</td> </tr> <tr> <td>V-Shale</td> <td>1219 GL</td> <td>-383</td> </tr> <tr> <td>Mineral Coal</td> <td>1262 GL</td> <td>-426</td> </tr> <tr> <td>Mississippian</td> <td>--- GL</td> <td>---</td> </tr> </table>	Name	Top	Datum	Pawnee Lime	1034 GL	-198	Excello Shale	1168 GL	-332	V-Shale	1219 GL	-383	Mineral Coal	1262 GL	-426	Mississippian	--- GL	---
Name	Top	Datum																	
Pawnee Lime	1034 GL	-198																	
Excello Shale	1168 GL	-332																	
V-Shale	1219 GL	-383																	
Mineral Coal	1262 GL	-426																	
Mississippian	--- GL	---																	

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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	41'	Class A	8	Type 1 cement
Casing	6.75"	4.5"	10.5	1526'	Thick Set	210	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				
		RECEIVED KANSAS CORPORATION COMMISSION AUG 20 2008 CONSERVATION DIVISION WICHITA, KS			
TUBING RECORD	Size	Set At	Packer At	Liner Run	
	2-3/8"	1392'		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Date of First, Resumerd Production, SWD or Enhr.		Producing Method			
6-25-2008		<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	39	0		

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) \_\_\_\_\_

<b>Operator Name:</b>	Layne Energy Operating, LLC.		
<b>Lease Name:</b>	Preciado 3-15		
	Sec. 15 Twp. 32S Rng. 13E, Chautauqua County		
<b>API:</b>	15-019-26887-00-00		
<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	Mineral 1262' - 1264'	3000 lbs 20/40 sand 218 bbls water 300 gals 15% HCl acid	1262' - 1264'
4	Croweburg 1219.5' - 1222' Iron Post 1199' - 1200.5'	5500 lbs 20/40 sand 377 bbls water 400 gals 15% HCl acid	1199' - 1222'
4	Mulky 1169' - 1173'	4800 lbs 20/40 sand 254 bbls water 150 gals 15% HCl acid	1169' - 1173'
4	Summit 1147' - 1148.5'	2500 lbs 20/40 sand 194 bbls water 375 gals 15% HCl acid	1147' - 1148.5'

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CONSERVATION DIVISION  
WICHITA, KS

# GEOLOGIC REPORT

LAYNE ENERGY  
Preciado 3-15  
NE NW, 664 FNL, 2088 FWL  
Section 15-T32S-R13E  
Chautauqua County, KS

Spud Date: 5/19/2008  
Drilling Completed: 5/21/2008  
Logged: 5/21/2008  
A.P.I. #: 15019268870000  
Ground Elevation: 836'  
Depth Driller: '  
Depth Logger: 1529'  
Surface Casing: 8.625 inches at 41'  
Production Casing: 4.5 inches at '  
Cemented Job: 0  
Open Hole Logs: Dual Induction SFL/GR, Litho Density /  
Neutron Logs

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Formation  
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	Tops	
	(below ground)	(subsea)
Quaternary	Surface (Alluvium)	836
Pawnee Limestone	1,034	-198
Excello Shale	1,168	-332
"V" Shale	1,219	-383
Mineral Coal	1,262	-426
Mississippian		

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WICHITA, KS

# Daily Well Work Report

PRECIADO 3-15

5/21/2008

**Well Location:**  
CHAUTAUQUA KS  
32S-13E-15 NE NW  
664FNL / 2088FWL

**Cost Center** G01049700100  
**Lease Number** G010497  
**Property Code** KSLE32S13E1503  
**API Number** 15-019-26887

Spud Date	RDMO Date	First Compl	First Prod	EFM Install	CygnnetID
5/19/2008	5/21/2008	6/18/2008	6/25/2008	6/25/2008	13586

TD	PBTD	Sf Csg Depth	Pr Csg Depth	Tbg Size	Csg Size
1527	1526	41	1526		

<b>Reported By</b> KRD	<b>Rig Number</b>	<b>Date</b> 5/19/2008
<b>Taken By</b> KRD		<b>Down Time</b>
<b>Present Operation</b> DRILL OUT SURFACE		<b>Contractor</b> THORNTON DRILLING

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Narrative

AUG 19 2008  
MIRU THORNTON DRILLING, DRILLED 11" HOLE, 41' DEEP, RIH W/ 2 JT 8 5/8" SURFACE CASING, MIXED 8 SX TYPE 1 CEMENT, DUMPED DOWN THE BACKSIDE. SDFN.  
DWC:\$3160

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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 14048  
 LOCATION FUREKA  
 FOREMAN RICK LOFFORD

TREATMENT REPORT & FIELD TICKET  
 CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY																
5-22-08	4758	Preciado 3-15				Chaut.																
CUSTOMER <u>Layne Energy</u>			<table border="1"> <thead> <tr> <th>TRUCK #</th> <th>DRIVER</th> <th>TRUCK #</th> <th>DRIVER</th> </tr> </thead> <tbody> <tr> <td>463</td> <td>Shannon</td> <td></td> <td></td> </tr> <tr> <td>502</td> <td>Phillip</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>				TRUCK #	DRIVER	TRUCK #	DRIVER	463	Shannon			502	Phillip						
TRUCK #	DRIVER	TRUCK #					DRIVER															
463	Shannon																					
502	Phillip																					
MAILING ADDRESS <u>P.O. Box 160</u>																						
CITY <u>Sycamore</u>	STATE <u>KS</u>	ZIP CODE																				

JOB TYPE longstring HOLE SIZE 6 3/4" HOLE DEPTH 1528' CASING SIZE & WEIGHT 4 1/2" 10.5"  
 CASING DEPTH 1526' DRILL PIPE \_\_\_\_\_ TUBING \_\_\_\_\_ OTHER \_\_\_\_\_  
 SLURRY WEIGHT 13.9" SLURRY VOL 52 Bbl WATER gal/sk 6' CEMENT LEFT in CASING 0'  
 DISPLACEMENT 2474 Bbl DISPLACEMENT PSI 600 ~~PSI~~ PSI 1000 RATE \_\_\_\_\_

REMARKS: Safety meeting. Rig up to 4 1/2" casing. Break circulation w/ 35 Bbl fresh water. Pump 6 SKS gel-flush w/ hulls, 20 Bbl water spacer, 5 Bbl dye water. Mixed 210 SKS 50/50 Premix cement w/ 2% gel, 2% cacl2, 4\* Katsol, 3\* cal-sol, 1/8" flouk #1/2, 1/2% FL-110 + 1/4% CAF-38 @ 13.9" yield 1.40. Washout pump + lines. Shut down. release plug. Displace w/ 2474 Bbl fresh water. Final pump pressure 600 PSI. Bump plug to 1000 PSI. wait 2 minutes. release pressure. float held. Good cement returned to surface = 2 Bbl slurry to pit. 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	210 SKS	50/50 Premix cement	9.20	1955.00
1118A	350"	2% gel	.16	56.00
1102	350"	2% cacl2	.70	245.00
1118A	840"	4* Katsol #1/2	.40	336.00
1101	630"	3* cal-sol #1/2	.35	220.50
1107	25"	1/8" flouk #1/2	1.98	49.50
1135	88"	1/2% FL-110	7.15	629.20
1146	44"	1/4% CAF-38	7.30	321.20
1118A	300"	gel-flush	.16	48.00
1105	50"	hulls	.37	18.50
5402A	8.82	ton-mileage bulk tax	1.14	402.19
4404	1	4 1/2" top rubber plug	42.00	42.00
5605A	4 hrs	Welder	85.00	340.00
4311	2	4 1/2" Weld on collar	60.00	120.00
			subtotal	5794.09
			6.37%	SALES TAX 254.47
				ESTIMATED TOTAL 6048.56

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CONSERVATION DIVISION  
 WICHITA, KS

2000208

AUTHORIZATION

Jacob Muel

TITLE

DATE