

CONFIDENTIAL

ORIGINAL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

Form ACO-1
September 1999
Form Must Be Typed

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: AUG 19 2008
New Well Re-Entry
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:
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.
5/6/2008 5/9/2008 6/2/2008
Spud Date or Date Reached TD Completion Date or Recompletion Date

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Workover KCC

API No. 15 - 019-26886-00-00
County: Chautauqua
NE NE Sec. 27 Twp. 32 S. R. 13 East West
680 feet from S / N (circle one) Line of Section
680 feet from E W (circle one) Line of Section
Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Fager Well #: 1-27
Field Name: Cherokee Basin Coal Area
Producing Formation: Cherokee Coals
Elevation: Ground: 924' Kelly Bushing:
Total Depth: 1612' Plug Back Total Depth: 1607'
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 1607 feet depth to Surface w/ 225 sx cmt.

Drilling Fluid Management Plan AH II NH II - 2008
(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 RECEIVED
Geologist Report Received KANSAS CORPORATION COMMISSION
AUG 20 2008
Notary Public - State of Kansas
My Appt. Expires: 1-4-2009

Operator Name: Layne Energy Operating, LLC Lease Name: Fager Well #: 1-27
 Sec. 27 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>1109 GL</td> <td>-185</td> </tr> <tr> <td>Excello Shale</td> <td>1241 GL</td> <td>-317</td> </tr> <tr> <td>V-Shale</td> <td>1287 GL</td> <td>-363</td> </tr> <tr> <td>Mineral Coal</td> <td>1333 GL</td> <td>-409</td> </tr> <tr> <td>Mississippian</td> <td>1596 GL</td> <td>-672</td> </tr> </table>	Name	Top	Datum	Pawnee Lime	1109 GL	-185	Excello Shale	1241 GL	-317	V-Shale	1287 GL	-363	Mineral Coal	1333 GL	-409	Mississippian	1596 GL	-672
Name	Top	Datum																	
Pawnee Lime	1109 GL	-185																	
Excello Shale	1241 GL	-317																	
V-Shale	1287 GL	-363																	
Mineral Coal	1333 GL	-409																	
Mississippian	1596 GL	-672																	

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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	42'	Class A	8	Type 1 cement
Casing	6.75"	4.5"	10.5	1607'	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 <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"	1430'		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Date of First, Resumerd Production, SWD or Enhr.		Producing Method			
6/5/2008		<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	54	0		

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

METHOD OF COMPLETION Open Hole Perf. Dually Comp. Commingled Other (Specify) _____

Production Interval _____

Operator Name:	Layne Energy Operating, LLC.		
Lease Name:	Fager 1-27		
	Sec. 27 Twp. 32S Rng. 13E, Chautauqua County		
API:	15-019-26886-00-00		
Shots per Foot	Perforation Record	Acid, Fracture, Shot, Cement Squeeze Record	Depth
Initial Perforations (May 2008)			
4	Mineral 1332.5' - 1334'	2800 lbs 20/40 sand 194 bbls water 100 gals 15% HCl acid	1332.5' - 1334'
4	Croweburg 1287.5' - 1290.5' Iron Post 1266.5' - 1268.5'	6000 lbs 20/40 sand 395 bbls water 400 gals 15% HCl acid	1266.5' - 1290.5'
4	Mulky 1241' - 1246'	6000 lbs 20/40 sand 272 bbls water 300 gals 15% HCl acid	1241' - 1246'
4	Summit 1217' - 1219'	2800 lbs 20/40 sand 201 bbls water 300 gals 15% HCl acid	1217' - 1219'

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CONSERVATION DIVISION
WICHITA, KS

Layne Energy, Inc.

1900 Shawnee Mission Parkway, Mission Woods, Kansas 66205 Phone: (913) 748-3987 Fax: (913) 748-3970

August 19, 2008

Mr. Steve Bond
Kansas Corporation Commission
Oil & Gas Conservation Division
130 S. Market, Room 2078
Wichita, KS 67202

Re: Well Completion Form

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Dear Mr. Bond:

AUG 19 2008

I have enclosed the ACO-1 form and associated data for the following well:

API # 15-019-26886-00-00
Fager 1-27

We respectfully request that all information submitted be kept confidential. Per provision E-4 of K.A. R. 82-3-107, we request that the term of the confidentiality be extended by one year.

If you need additional information, please contact me at (913) 748-3960.

Sincerely,

MacLaughlin Darling

MacLaughlin Darling
Engineering Technician

Enclosures

cc: Well File
Field Office

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CONSERVATION DIVISION
WICHITA, KS



GEOLOGIC REPORT

LAYNE ENERGY

Fager 1-27

NE NE, 680 FNL, 680 FEL

Section 27-T32S-R13E

Chautauqua County, KS

Spud Date: 5/6/2008
 Drilling Completed: 5/9/2008
 Logged: 5/8/2008
 A.P.I. #: 15019268860000
 Ground Elevation: 924'
 Depth Driller: 1612'
 Depth Logger: 1609'
 Surface Casing: 8.625 inches at 42'
 Production Casing: 4.5 inches at 1607'
 Cemented Job: Consolidated
 Open Hole Logs: Dual Induction SFL/GR, Litho Density /
 Neutron Logs

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Formation

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Tops

(below ground)

(subsea)

	Surface (Lawrence Formation)	924
Douglas Group		
Pawnee Limestone	1,109	-185
Excello Shale	1,241	-317
"V" Shale	1,287	-363
Mineral Coal	1,333	-409
Mississippian	1,596	-672

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Daily Well Work Report

FAGER 1-27

5/6/2008

Well Location:
CHAUTAUQUA KS
32S-13E-27 NE NE
680FNL / 680FEL

Cost Center G01029200100
Lease Number G010292
Property Code KSLE32S13E2701A
API Number 15-019-26886

Spud Date	RDMO Date	First Compl	First Prod	EFM Install	CygnnetID
5/6/2008	5/9/2008	6/2/2008	6/5/2008	6/4/2008	FAGER_1_27

TD	PBTD	Sf Csg Depth	Pr Csg Depth	Tbg Size	Csg Size
1612	1607	42	1607		

Reported By KRD	Rig Number	Date 5/6/2008
Taken By KRD		Down Time
Present Operation DRILL OUT SURFACE		Contractor THORNTON

Narrative

MIRU THORNTON DRILLING, DRILLED 11" HOLE, 42' DEEP, RIH W/ 1 JT 8 5/8" SURFACE CASING, MIXED 8 SX TYPE 1 CEMENT, DUMPED DOWN THE BACKSIDE. SDFN.

DWC:\$3160

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CONSERVATION DIVISION
WICHITA, KS

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

ENTERED

TICKET NUMBER 14002
 LOCATION EUREKA
 FOREMAN RICK LEONARD

**TREATMENT REPORT & FIELD TICKET
 CEMENT**

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
5-9-08	4758	FAGER 1-27				CO
CUSTOMER <u>Layne Energy</u>		MAILING ADDRESS <u>P.O. Box 100</u>		CITY <u>Syracuse</u>		STATE <u>KS</u>
TRUCK #		DRIVER		TRUCK #		DRIVER
463		Shannon				
515		Jarrod				
ZIP CODE		STATE		CITY		

JOB TYPE longstring HOLE SIZE 6 3/4" HOLE DEPTH 1612' CASING SIZE & WEIGHT 4 1/2" 10.5"
 CASING DEPTH 1602' DRILL PIPE _____ TUBING _____ OTHER _____
 SLURRY WEIGHT 13.9# SLURRY VOL 56 bbl WATER gal/sk 6' CEMENT LEFT in CASING 0'
 DISPLACEMENT 25.5 bbl DISPLACEMENT PSI 800 ~~600~~ PSI 1200 RATE _____

REMARKS: Safety meeting - Rig up to 4 1/2" casing. Break circulation w/ 95 bbl water. Wash down 10' to T.D. Pump 6 sacks gel-flush w/ hulls, 25 bbl water spacer, 5 bbl dye water. Mixed 225 sacks 50/50 Permox cement w/ 270 gal, 270 cacl2, 4" Kol-seal, 3" cal-seal, 1/8" flocc #1/2, 1/2" FL-110 + 470 CAF-38 @ 13.9# gal. Washout pump + lines. Shut down, release plug. Displace w/ 25.5 bbl fresh water. Final pump pressure 800 PSI. Bump plug to 1200 PSI. Wait 2 minutes, release pressure, float held. Good cement returns to surface = 8 bbl slurry to pit. Job complete. Rig down.

"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	225 sacks	50/50 Permox cement	9.30	2092.50
1118A	380#	270 gal	.16	60.80
1102	380#	270 cacl2	.70	266.00
11101	900#	4" Kol-seal #1/2	.40	360.00
1101	625#	3" cal-seal #1/2	.35	218.75
1107	30#	1/8" flocc #1/2	1.98	59.40
1135	95#	1/2" FL-110	7.15	679.25
1146	48#	1/2" CAF-38	7.30	350.40
1118A	300#	gel-flush	.16	48.00
1105	50#	hulls	.37	18.50
5402A	9.45	ten-mileage truck tax	1.14	10.77
4404	1	4 1/2" top rubber plug	42.00	42.00
			6.37	5657.02
			SALES TAX	265.43
			ESTIMATED TOTAL	5922.45

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 CONSERVATION DIVISION
 WICHITA, KS

AUTHORIZATION [Signature] TITLE 201938 DATE _____