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8/26/08*

**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION**

Form ACO-1
September 1999
Form Must Be Typed

**WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE**

8/26/10

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: MOKAT Drilling
 License: 3851 5831
 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: same as above
 Well Name: same as above
 Original Comp. Date: 6/14/2007 Original Total Depth: 1232'
 _____ 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. _____
 5/28/2008 _____ 5/30/2008 _____
 Spud Date or _____ Date Reached TD _____ Completion Date or
 Recompletion Date _____ Recompletion Date _____

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WICHITA, KS

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API No. 15 - 125-31029-00-01
 County: Montgomery
52 N12 NE SE Sec. 17 Twp. 33 S. R. 16 East West
2244 feet from N (circle one) Line of Section
667 feet from W (circle one) Line of Section
 Footages Calculated from Nearest Outside Section Corner:
 (circle one) NE SE NW SW
 Lease Name: McHugh Well #: 9-17
 Field Name: Cherokee Basin Coal Area
 Producing Formation: Cherokee Coals
 Elevation: Ground: 807' Kelly Bushing: _____
 Total Depth: 1232' Plug Back Total Depth: 1224'
 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 1224
 feet depth to Surface w/ 125 sx cmf.

Drilling Fluid Management Plan WO NH 10-1508
 (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: 8/26/2008
 Subscribed and sworn to before me this 26 day of August
 20 08
 Notary Public: MacLaughlin Darling
 Date Commission Expires: 1-4-2009

KCC Office Use ONLY

Y Letter of Confidentiality Attached
 If Denied, Yes Date: _____
 _____ Wireline Log Received
 _____ Geologist Report Received
 _____ UIC Distribution

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

Operator Name: Layne Energy Operating, LLC Lease Name: McHugh Well #: 9-17
 Sec. 17 Twp. 33 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>537 GL</td> <td>270</td> </tr> <tr> <td>Excello Shale</td> <td>708 GL</td> <td>99</td> </tr> <tr> <td>V Shale</td> <td>760 GL</td> <td>47</td> </tr> <tr> <td>Mineral Coal</td> <td>806 GL</td> <td>1</td> </tr> <tr> <td>Mississippian</td> <td>1144 GL</td> <td>-337</td> </tr> </table>	<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample	Name	Top	Datum	Pawnee Lime	537 GL	270	Excello Shale	708 GL	99	V Shale	760 GL	47	Mineral Coal	806 GL	1	Mississippian	1144 GL	-337
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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	# Sacjs Used	Type and Percent Additives
Surface	11"	8.65"	24	21.5'	Class A	4	Type 1 cement
Casing	6.75"	4.5"	10.5	1224'	Thick Set	125	10# KOL seal @ sx

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		
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		CONSERVATION DIVISION WICHITA, KS	

TUBING RECORD	Size <u>2-3/8"</u>	Set At <u>1164'</u>	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr. <u>6/6/2008</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>10</u>	Water Bbls. <u>< 1</u>	Gas-Oil Ratio <u> </u> Gravity <u> </u>

Disposition of Gas	METHOD OF COMPLETION	Production Interval
<input type="checkbox"/> Vented <input checked="" type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	<input type="checkbox"/> Open Hole <input checked="" type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input checked="" type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____	

Operator Name:	Layne Energy Operating, LLC.		
Lease Name:	McHugh 9-17		
	Sec. 17 Twp. 33S Rng. 16E, Montgomery County		
API:	15-125-31029-00-01		
Shots per Foot	Perforation Record	Acid, Fracture, Shot, Cement Squeeze Record	Depth
Initial Perforations			
4	Rowe 1070.5' - 1072.5' Weir 902' - 904'	6300 lbs 20/40 sand 429 bbls water 670 gals 15% HCl acid	902' - 1072.5'
4	Mineral 806' - 808' Croweburg 760' - 762.5' Iron Post 734' - 735.5'	7100 lbs 20/40 sand 520 bbls water 800 gals 15% HCl acid	734' - 808'
4	Mulky 707.5' - 712.5' Summit 677.5' - 682.5'	4100 lbs 20/40 sand 585 bbls water 1050 gals 15% HCl acid	677.5' - 712.5'
Recompletion Perforations (May-2008)			
4	Riverton 1130' - 1033' <i>1133</i>	2600 lbs 20/40 sand 317 bbls water 420 gals 15% HCl acid	1130' - 1033' <i>1133</i>

*Per
telecon. w/
oper. on
9/08/08.
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