

CONFIDENTIAL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL

8/26/10

Form ACO-1
September 1999
Form Must Be Typed

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

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: _____

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WICHITA, KS

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: _____
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. _____

5/8/2008 5/9/2008 Pending
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 125-31604-00-00
County: Montgomery
S2 SW NE Sec. 16 Twp. 31 S. R. 16 East West
2231 feet from S / (N) (circle one) Line of Section
1999 feet from (E) W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) (NE) SE NW SW
Lease Name: Martin Well #: 7-16
Field Name: Cherokee Basin Coal Area

Producing Formation: Cherokee Coals
Elevation: Ground: 819' Kelly Bushing: _____
Total Depth: 1086' Plug Back Total Depth: 1085'
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 1085
feet depth to Surface w/ 160 sx cmt.

Drilling Fluid Management Plan ALT I 10-10-08
(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: 8-26-2008
Subscribed and sworn to before me this 26 day of August
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
 UIC Distribution
MacLAUGHLIN DARLING
Notary Public - State of Kansas
My Appt. Expires 1-4-2009

Operator Name: Layne Energy Operating, LLC Lease Name: Martin Well #: 7-16
 Sec. 16 Twp. 31 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 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 <div style="text-align: center; font-weight: bold; font-size: 1.2em; opacity: 0.5;">CONFIDENTIAL</div>	<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>522 GL</td> <td>297</td> </tr> <tr> <td>Excello Shale</td> <td>662 GL</td> <td>157</td> </tr> <tr> <td>V-Shale</td> <td>711 GL</td> <td>108</td> </tr> <tr> <td>Mineral Coal</td> <td>748 GL</td> <td>71</td> </tr> <tr> <td>Mississippian</td> <td>1068 GL</td> <td>-249</td> </tr> </table>	<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample	Name	Top	Datum	Pawnee Lime	522 GL	297	Excello Shale	662 GL	157	V-Shale	711 GL	108	Mineral Coal	748 GL	71	Mississippian	1068 GL	-249
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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"	8.625"	24	21'	Class A	4	Type 1 cement
Casing	6.75"	4.5"	10.5	1085'	Thick Set	160	50/50 posmix w/2% gel

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose: <input type="checkbox"/> Perforate <input type="checkbox"/> Protect Casing <input type="checkbox"/> Plug Back TD <input type="checkbox"/> Plug Off Zone	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives

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 27 2008 CONSERVATION DIVISION WICHITA, KS

TUBING RECORD	Size	Set At	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.	Gas Mcf	Water Bbls.	Gas-Oil Ratio Gravity
	0			

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

Operator Name:	Layne Energy Operating, LLC.		
Lease Name:	Martin 7-16		
	Sec. 31 Twp. 16S Rng. 16E, Montgomery County		
API:	15-125-31604-00-00		
Shots per Foot	Perforation Record	Acid, Fracture, Shot, Cement Squeeze Record	Depth
Initial Perforations (August 2008)			
4	Riverton 1064.5' - 1067.5'	3800 lbs 20/40 sand 247 bbls water 300 gals 15% HCl acid	1064.5' - 1067.5'
4	Mineral 748' - 750'	3200 lbs 20/40 sand 147 bbls water 300 gals 15% HCl acid	748' - 750'
4	Croweburg 711.5' - 714' Iron Post 689' - 690.5'	6000 lbs 20/40 sand 370 bbls water 400 gals 15% HCl acid	689' - 714'
4	Mulky 662' - 668'	7700 lbs 20/40 sand 563 bbls water 680 gals 15% HCl acid	662' - 668'
4	Summit 641' - 643'	2700 lbs 20/40 sand 176 bbls water 200 gals 15% HCl acid	641' - 643'

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Daily Well Work Report

MARTIN 7-16
5/9/2008

Well Location:
MONTGOMERY KS
31S-16E-16 S2 SW NE
2231FNL / 1999FEL

Cost Center C01033500100
Lease Number C010335
Property Code KSCV31S16E1607
API Number 15-125-31604

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Spud Date	RDMO Date	First Compl	First Prod	EFM Install	CygnnetID
5/8/2008	5/9/2008				

TD	PBTD	Sf Csg Depth	Pr Csg Depth	Tbg Size	Csg Size
1086	1085	21	1085		

Reported By KRD	Rig Number	Date 5/8/2008
Taken By KRD		Down Time
Present Operation DRILL OUT SURFACE		Contractor THORNTON

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, *HC*
 P.O. BOX 884, CHANUTE, KS 66720
 620-431-9210 OR 800-467-8676

ENTERED

TICKET NUMBER 14031
 LOCATION Eureka
 FOREMAN Troy Strickler

**TREATMENT REPORT & FIELD TICKET
 CEMENT**

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY																
5-12-08	4758	Martin 7-16				MG																
CUSTOMER <u>Layne Energy</u>			<table border="1"> <tr> <th>TRUCK #</th> <th>DRIVER</th> <th>TRUCK #</th> <th>DRIVER</th> </tr> <tr> <td>S20</td> <td>Cliff</td> <td></td> <td></td> </tr> <tr> <td>S15</td> <td>Terrid</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </table>				TRUCK #	DRIVER	TRUCK #	DRIVER	S20	Cliff			S15	Terrid						
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S20	Cliff																					
S15	Terrid																					
MAILING ADDRESS <u>P.O. Box 160</u>																						
CITY <u>Sycamore</u>	STATE <u>Ks</u>	ZIP CODE																				

*Gas
Jury*

JOB TYPE Longstring HOLE SIZE 6 3/4" HOLE DEPTH 1086' CASING SIZE & WEIGHT 4 1/2" 10.5
 CASING DEPTH 1085' DRILL PIPE _____ TUBING _____ OTHER _____
 SLURRY WEIGHT 13.9" SLURRY VOL 4086l WATER gal/sk 6' CEMENT LEFT in CASING 0'
 DISPLACEMENT 17.28bl DISPLACEMENT PSI 500 MIX PSI 1000 empty RATE _____

REMARKS: Safety Meeting: Rig up to 4 1/2" casing. Break Circulation w/ 25bl water.
Wash Down 20' to P.B.T.D. 1085'. Pump 6skt Gel-Flush w/ Hulls. 208bl water,
5bl Dye water, Mixed 160skt 50/50 Poz-mix Cement, 2% Gel, 2% Cacl₂,
4" Kol-Seal, 3" Cal-Seal, 1/2" Flocele, FL-110 1/2%, CAF-38 1/4%, @ 13.9" Ppgl.
Wash out Pump + liner. Release Plug. Displace w/ 17.28bl water. Final Pumping
Pressure 500PSI. Pump Plug to 1000PSI. Wait 2mins. Release Pressure. Float Held.
Good Cement to surface = 108bl 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	160skt	50/50 Poz-mix Cement	9.30	1488.00
1118A	270"	2% Gel	.16"	43.20
1102	270"	2% Cacl ₂	.70"	189.00
1110A	640"	Kol-Seal 4" Ppgl	.40"	256.00
1101	480"	Cal-Seal 3" Ppgl	.35"	168.00
1107	20"	Flocele 1/2" Ppgl	1.98"	39.60
1135	67"	FL-110 1/2%	7.15"	479.05
1146	34"	CAF-38 1/4%	7.30"	248.20
1118A	300"	Gel-Flush	.16"	48.00
1105	50"	Hulls	.37"	18.50
5407		Ton-Mileage	m/c	300.00
4404	1	4 1/2" Top Rubber Plug	42.00	42.00
5605A	4hrs	Welder	85.00	340.00
4311	1	4 1/2" Weldon Collar	60.00	60.00
			5.0% Sub Total	4732.55
			5.2% SALES TAX	163.21
			ESTIMATED TOTAL	4895.76

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Thank You!

201952
 TITLE Co-Rp

AUTHORIZATION Called by Jacob

DATE _____

GEOLOGIC REPORT

LAYNE ENERGY
Martin 7-16
SW NE, 2231 FNL, 1999 FEL
Section 16-T31S-R16E
Montgomery County, KS

Spud Date: 5/8/2008
Drilling Completed: 5/9/2008
Logged: 5/9/2008
A.P.I. #: 15125316040000
Ground Elevation: 819'
Depth Driller: 1086'
Depth Logger: 1087'
Surface Casing: 8.625 inches at 21'
Production Casing: 4.5 inches at 1085'
Cemented Job: Consolidated
Open Hole Logs: Dual Induction SFL/GR, Litho Density /
Neutron Logs

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Formation	Tops	
	(below ground)	(subsea)
	Surface (Noxie	
Kansas City Group	Sandstone)	819
Pawnee Limestone	522	297
Excello Shale	662	157
"V" Shale	711	108
Mineral Coal	748	71
Mississippian	1,068	-249

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