

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

10/28/08

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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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. _____

| | | |
|-----------------------------------|------------------|---|
| <u>7/11/2008</u> | <u>7/15/2008</u> | <u>8/21/2008</u> |
| Spud Date or Recompletion Date | Date Reached TD | Completion Date or Recompletion Date |

API No. 15 - 019-26896-00-00
County: Chautauqua
SW NW NE Sec. 29 Twp. 32 S. R. 13 East West
974 feet from S / N (circle one) Line of Section
2219 feet from E W (circle one) Line of Section
Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Coffey Well #: 2-29
Field Name: Cherokee Basin Coal Area
Producing Formation: Cherokee Coals
Elevation: Ground: 1024' Kelly Bushing: _____
Total Depth: 1735' Plug Back Total Depth: 1731'
Amount of Surface Pipe Set and Cemented at 40 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set _____ Feet
If Alternate II completion, cement circulated from 1731
feet depth to Surface w/ 260 sx cmf.

Drilling Fluid Management Plan AK INH 17-09
(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: 10-28-08
Subscribed and sworn to before me this 28 day of October
2008
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
RECEIVED
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MacLAUGHLIN DARLING
Notary Public - State of Kansas
My Appt. Expires 1-4-2009

CONSERVATION DIVISION
WICHITA, KS

Operator Name: Layne Energy Operating, LLC Lease Name: Coffey Well #: 2-29
 Sec. 29 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 <i>(Attach Additional Sheets)</i> | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | <input checked="" type="checkbox"/> Log | Formation (Top), Depth and Datum | <input type="checkbox"/> Sample |
| Samples Sent to Geological Survey | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | Name | Top | Datum |
| Cores Taken | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Pawnee Lime | 1238 GL | -214 |
| Electric Log Run <i>(Submit Copy)</i> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | Excello Shale | 1375 GL | -351 |
| List All E. Logs Run: | | V-Shale | 1421 GL | -397 |
| Compensated Density Neutron | | Mineral Coal | 1462 GL | -438 |
| Dual Induction | | Mississippian | 1705 GL | -681 |

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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 | 40' | Class A | 8 | Type 1 cement |
| Casing | 6.75" | 4.5" | 10.5 | 1731' | Thick Set | 260 | 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> | Depth |
|----------------|---|--|-------|
| | See Attached Page | | |

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| | | | | | | | | |
|--|-----------|---------|---|---------------|-----------|---|--|--------------------------------------|
| TUBING RECORD | | Size | Set At | Packer At | Liner Run | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | | CONSERVATION DIVISION WICHITA, KS |
| | | 2-3/8" | 1542' | | | | | |
| Date of First, Resumerd Production, SWD or Enhr. | | | Producing Method | | | | | |
| 8/28/2008 | | | <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 | 30 | 0 | | | | | |

| | | |
|---|---|---------------------|
| 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: | Coffey 2-29 | | |
| | Sec. 29 Twp. 32S Rng. 13E, Chautauqua County | | |
| API: | 15-019-26896-00-00 | | |
| | | | |
| Shots per Foot | Perforation Record | Acid, Fracture, Shot, Cement Squeeze Record | Depth |
| Initial Perforations (August 2008) | | | |
| 4 | Mineral 1461' - 1463' | 2500 lbs 20/40 sand 181 bbls water 100 gals 15% HCl acid | 1461' - 1463' |
| 4 | Croweburg 1421.5' - 1424.5' Iron Post 1402.5' - 1403.5' | 6400 lbs 20/40 sand 388 bbls water 400 gals 15% HCl acid | 1402.5' - 1424.5' |
| 4 | Mulky 1375' - 1379' | 4900 lbs 20/40 sand 486 bbls water 500 gals 15% HCl acid | 1375' - 1379' |
| 4 | Summit 1354' - 1356.5' | 2400 lbs 20/40 sand 235 bbls water 300 gals 15% HCl acid | 1354' - 1356.5' |

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WICHITA, KS

GEOLOGIC REPORT

LAYNE ENERGY
Coffey 2-29
NW NE, 974 FNL, 2219 FEL
Section 29-T32S-R13E
Chautauqua County, KS

Spud Date: 7/11/2008
Drilling Completed: 7/15/2008
Logged: 7/15/2008
A.P.I. #: 15019268960000
Ground Elevation: 1024'
Depth Driller: 1735'
Depth Logger: 1738'
Surface Casing: 8.625 inches at 40'
Production Casing: 4.5 inches at 1730.6'
Cemented Job: 0
Open Hole Logs: Dual Induction SFL/GR, Litho Density /
Neutron Logs

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| Formation | Tops | |
|------------------|------------------------------|----------|
| | (below ground) | (subsea) |
| | Surface (Lawrence Formation) | 1,024 |
| Douglas Group | 1,238 | -214 |
| Pawnee Limestone | 1,375 | -351 |
| Excello Shale | 1,421 | -397 |
| "V" Shale | 1,462 | -438 |
| Mineral Coal | 1,705 | -681 |
| Mississippian | | |

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WICHITA, KS

Daily Well Work Report

COFFEY 2-29

7/11/2008

Well Location:
CHAUTAUQUA KS
32S-13E-29 SW NW NE
974FNL / 2219FEL

Cost Center G01056100100
Lease Number G010561
Property Code KSLE32S13E2902
API Number 15-019-26896

| Spud Date | RDMO Date | First Compl | First Prod | EFM Install | CygnnetID |
|-----------|-----------|-------------|------------|-------------|-------------|
| 7/11/2008 | 7/15/2008 | 8/21/2008 | 8/28/2008 | 8/25/2008 | COFFEY_2_29 |

| TD | PBTD | Sf Csg Depth | Pr Csg Depth | Tbg Size | Csg Size |
|------|--------|--------------|--------------|----------|----------|
| 1735 | 1730.6 | 40 | 1730.6 | 0 | 0 |

| | | |
|--|-------------------|-----------------------------------|
| Reported By KRD | Rig Number | Date 7/11/2008 |
| Taken By KRD | | Down Time |
| Present Operation DRILL OUT SURFACE | | Contractor THORNTON ROTARY |

Narrative

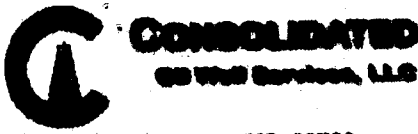
MIRU THORNTON ROTARY DRILLING, DRILLED 11" HOLE, 40' DEEP, RIH W/5 JT 8-5/8" SURFACE CASING, MIXED 8 SX TYPE 1 CEMENT, DUMPED DOWN THE BACKSIDE. SDFN. DWC:\$3160

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WICHITA, KS



ENTERED

TICKET NUMBER 18729
 LOCATION EURKA
 FOREMAN RICK LEONARD

PO Box 884, Chanute, KS 66720
 620-431-9210 or 800-467-8676

FIELD TICKET & TREATMENT REPORT
 CEMENT

| DATE | CUSTOMER # | WELL NAME & NUMBER | SECTION | TOWNSHIP | RANGE | COUNTY |
|---------------------------------|------------|--------------------|-----------|----------|---------|----------|
| 7-15-08 | 4758 | Coffey 2-29 | | | | Cherokee |
| CUSTOMER Layne Energy | | | G+S Jones | | | |
| MAILING ADDRESS P.O. Box 160 | | | TRUCK # | DRIVER | TRUCK # | DRIVER |
| CITY Sycamore | | | 463 | Shannon | | |
| STATE KS | | | 439 | Calin | | |
| ZIP CODE | | | 452/703 | Jim | | |

JOB TYPE logstring HOLE SIZE 6 3/4" HOLE DEPTH 1285' CASING SIZE & WEIGHT 4 1/2" 45.50
 CASING DEPTH 1730' DRILL PIPE _____ TUBING _____ OTHER _____
 SLURRY WEIGHT 139" SLURRY VOL 65 bbl WATER gal/sk 6' CEMENT LEFT in CASING 0'
 DISPLACEMENT 27 1/2 bbl DISPLACEMENT PSI 800 PSI 1300 RATE _____

REMARKS: Safety meeting - Rig up to 4 1/2" casing. Break circulation w/ 25 bbl fresh water.
 Run 6 sxs gel-flush w/ hulls, 5 bbl water spacer. Mixed 260 sxs salina cement
 cement w/ 270 cases, 290 gal, 4" cat-sol, 3" cat-sol, 1/2" phenoxal 7/8", 1/2" 72-110 + 1/2" 72-110
 @ 139" per yard 1/4" washout pipe + loss. Shut down, release plug. Displace w/ 27 1/2
 bbl fresh water. Final pump pressure 800 PSI. Bump plug to 1300 PSI. Wait 2 minutes.
 release pressure, float held. Good cement returns to surface = 8 bbl slurry to plug. Job
 complete. Rig down.

"Thank You"

OCT 2 2008

| ACCOUNT CODE | QUANTITY or UNITS | DESCRIPTION of SERVICES or PRODUCT | UNIT PRICE | TOTAL |
|--------------|-------------------|------------------------------------|-----------------|-----------|
| 5401 | 1 | PUMP CHARGE | 925.00 | 925.00 |
| 5406 | 1 | MILEAGE 2nd well | 0/6 | 0/6 |
| 1124 | 260 sxs | 50/50 Porox cement | 9.75 | 2535.00 |
| 1102 | 435" | 270 CASE | .75 | 326.25 |
| 1118A | 435" | 290 gal | .17 | 73.95 |
| 116A | 1040" | 4" cat-sol 7/8" | .42 | 436.80 |
| 1101 | 780" | 3" cat-sol 7/8" | .26 | 202.80 |
| 1107A | 32" | 1/2" phenoxal 7/8" | 1.15 | 36.80 |
| 1135 | 130" | 1/2" 72-110 | 7.50 | 975.00 |
| 1146 | 65" | 1/4" 72-110 | 7.70 | 500.50 |
| 1118A | 300" | gel-flush | .17 | 51.00 |
| 1105 | 50" | hulls | .38 | 19.00 |
| 5407A | 10.92 | car-mileage bulk 7/8" | 1.20 | 13.10 |
| 5501C | 3 1/2 hrs | water transport | 112.00 | 392.00 |
| 1123 | 5000 gals | city water | 14.00 | 70.00 |
| 4401 | 1 | 4 1/2" top cutter plug | 45.00 | 45.00 |
| 5605A | 4 hrs | welder | 75.00 | 300.00 |
| 4311 | 1 | 4 1/2" weld on collar | 60.00 | 60.00 |
| | | | 6.3% | SALES TAX |
| | | | 6.3% | 300.64 |
| | | | ESTIMATED TOTAL | 7932.64 |

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 WICHITA, KS

Ravin 3737

003083

subtotal 7591.76
 SALES TAX 300.64
 ESTIMATED TOTAL 7932.64

AUTHORIZATION Jacoby McC

TITLE _____

DATE _____

7932.64