

CONFIDENTIAL

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

ORIGINAL

Form ACO-1
September 1999
Form Must Be Typed

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: MoKat Drilling
License: 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: _____
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. _____

7/11/2008 7/15/2008 8/14/2008
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 125-31667-00-00
County: Montgomery
 N2 SW NE Sec. 11 Twp. 31 S. R. 14 East West
1752 feet from S / (N) (circle one) Line of Section
1904 feet from (E) W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) (NE) SE NW SW
Lease Name: Raymond Well #: 7-11
Field Name: Cherokee Basin Coal Area

Producing Formation: Cherokee Coals
Elevation: Ground: 887' Kelly Bushing: _____
Total Depth: 1408' Plug Back Total Depth: 1405'
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 1405
feet depth to Surface w/ 200 sx cmt.

Drilling Fluid Management Plan AK # NH 1-709
(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: Project Engineer Date: 10-28-08
Subscribed and sworn to before me this 28 day of October,
2008
Notary Public: MacLaughlin Darline
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
KANSAS CORPORATION COMMISSION
OCT 29 2008

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: Raymond Well #: 7-11
 Sec. 11 Twp. 31 S. R. 14 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 <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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Name	Top	Datum
Cores Taken	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Pawnee Lime	882 GL	5
Electric Log Run <i>(Submit Copy)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Excello Shale	1012 GL	-125
List All E. Logs Run:		V-Shale	1076 GL	-189
Compensated Density Neutron		Mineral Coal	1121 GL	-234
Dual Induction		Mississippian	1361 GL	-474

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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	1405'	Thick Set	200	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		

TUBING RECORD	Size	Set At	Packer At	Liner Run
	2-3/8"	1346'		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Date of First, Resumerd Production, SWD or Enhr.	Producing Method
8/19/2008	<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	16	0		

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Disposition of Gas METHOD OF COMPLETION Production Interval

Vented Sold Used on Lease Open Hole Perf. Dually Comp. Commingled
(If vented, Submit ACO-18.) Other (Specify) _____

Operator Name:	Layne Energy Operating, LLC.		
Lease Name:	Raymond 7-11		
	Sec. 11 Twp. 31S Rng. 14E, Montgomery County		
API:	15-125-31667-00-00		
Shots per Foot	Perforation Record	Acid, Fracture, Shot, Cement Squeeze Record	Depth
Initial Perforations (August 2008)			
4	Rowe 1317.5' - 1319.5'	2700 lbs 20/40 sand 216 bbls water 300 gals 15% HCl acid	1317.5' - 1319.5'
4	Weir 1190' - 1192' Tebo 1181' - 1182.5'	4800 lbs 20/40 sand 336 bbls water 400 gals 15% HCl acid	1181' - 1192'
4	Scammon 1135.5' - 1136.5' Mineral 1121' - 1122.5'	4700 lbs 20/40 sand 304 bbls water 400 gals 15% HCl acid	1121' - 1136.5'
4	Croweburg 1077' - 1079.5' Iron Post 1057' - 1059'	5500 lbs 20/40 sand 315 bbls water 400 gals 15% HCl acid	1057' - 1079.5'
4	Mulky 1012.5' - 1016.5'	6000 lbs 20/40 sand 250 bbls water 300 gals 15% HCl acid	1012.5' - 1016.5'
4	Mulberry 878.5' - 880'	2400 lbs 20/40 sand 139 bbls water 300 gals 15% HCl acid	878.5' - 880'

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GEOLOGIC REPORT

LAYNE ENERGY
Raymond 7-11
SW NE, 1752 FNL, 1904 FEL
Section 11-T31S-R14E
Montgomery County, KS

Spud Date: 7/11/2008
Drilling Completed: 7/15/2008
Logged: 7/15/2008
A.P.I. #: 15125316670000
Ground Elevation: 887'
Depth Driller: 1408'
Depth Logger: 1401'
Surface Casing: 8.625 inches at 21'
Production Casing: 4.5 inches at 1405'
Cemented Job: Consolidated
Open Hole Logs: Dual Induction SFL/GR, Litho Density /
Neutron Logs

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Formation	Tops	
	(below ground)	(subsea)
Surface (Stoner Limestone		
Lansing Group Member)		887
Pawnee Limestone	882	5
Excello Shale	1,012	-125
"V" Shale	1,076	-189
Mineral Coal	1,121	-234
Mississippian	1,361	-474

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Daily Well Work Report

RAYMOND 7-11
7/15/2008

Well Location:
MONTGOMERY KS
31S-14E-11 N2 SW NE
1752FNL / 1904FEL

Cost Center G01016800200
Lease Number G010168
Property Code GLNA085
API Number 15-125-31667

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Spud Date	RDMO Date	First Compl	First Prod	EFM Install	CygnetiD
7/11/2008	7/15/2008	8/14/2008	8/19/2008	8/19/2008	RAYMOND_7_11

TD	PBTD	Sf Csg Depth	Pr Csg Depth	Tbg Size	Csg Size
1408	1405	21	1405		

Reported By KRD	Rig Number	Date 7/11/2008
Taken By KRD		Down Time
Present Operation DRILL OUT SURFACE		Contractor MOKAT DRILLING

Narrative

MIRU MOKAT 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, LLC

ENTERED

TICKET NUMBER 18730

LOCATION EUREKA

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
7-16-08	4758	Raymond 7-11				MG
CUSTOMER <u>Layne Energy</u>			Gus Jans			
MAILING ADDRESS <u>P.O. Box 160</u>						
CITY <u>Sycamore</u>	STATE <u>KS</u>	ZIP CODE	TRUCK # <u>463</u>	DRIVER <u>Shannon</u>	TRUCK # <u>575</u>	DRIVER <u>Tarrid</u>
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JOB TYPE long string HOLE SIZE 6 3/4" HOLE DEPTH 1408' CASING SIZE & WEIGHT 4 1/2" 10.5"
 CASING DEPTH 1402' DRILL PIPE _____ TUBING _____ OTHER _____
 SLURRY WEIGHT 13.9" SLURRY VOL 50 bbl WATER gal/sk 6' CEMENT LEFT in CASING 0'
 DISPLACEMENT 22.3 bbl DISPLACEMENT PSI 800 PSI 1200 RATE _____

REMARKS: Safety meeting Rig up to 4 1/2" casing. Break circulation w/ 30 bbl fresh water. Pump 6 sacks gel-flush w/ hulls, 5 bbl water spacer. Mixed 200 sacks 50/50 Permox cement w/ 220 cc/cz, 220 gal 4" Kat-seal, 3" cat-seal, 1/8" phenaseal w/ 1/2" FL-116 & 1/4" CAF-38 @ 18.9" yield 1.40. Washout pump + lines. Shut down release plug. Displace w/ 22.3 bbl fresh water. Final pump pressure 800 PSI. Pump plug to 1200 PSI. wait 2 mins. 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	985.00	985.00
5406	40	MILEAGE	3.65	146.00
1124	200 sacks	50/50 Permox cement	9.75	1950.00
1102	335*	220 cc/cz	.25	251.25
1118A	335*	220 gal	.17	56.95
1110A	800*	4" Kat-seal ^{10/11}	.42	336.00
1101	600*	3" cat-seal ^{10/11}	.36	216.00
1107A	25*	1/8" phenaseal ^{10/11}	1.15	28.75
1135	100*	1/2" FL-116	7.50	750.00
1146	50*	1/4" CAF-38	7.70	385.00
1118A	300*	gel-flush	.17	51.00
1105	50*	hulls	.39	19.50
5407A	8.4	tan-mileage bulk tax	1.20	403.20
4404	1	4 1/2" top rubber plug	45.00	45.00
5005A	4 hrs	welder	85.00	340.00
4311	1	4 1/2" weld on collar	60.00	60.00
			Subtotal	5963.65
			SALES TAX	219.93
			ESTIMATED TOTAL	6183.58

Ravin 3737

AUTHORIZATION Jacobs Mccl TITLE 003126

DATE _____