

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

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:
 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>7/25/2008</u>	<u>7/29/2008</u>	<u>9/11/2008</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 125-31666-00-00
County: Montgomery
 - - SW SE Sec. 32 Twp. 31 S. R. 14 East West
486 feet from (S) N (circle one) Line of Section
2181 feet from (E) W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE (SE) NW SW
Lease Name: Faler Well #: 15-32
Field Name: Cherokee Basin Coal Area
Producing Formation: Cherokee Coals
Elevation: Ground: 833' Kelly Bushing: _____
Total Depth: 1482' Plug Back Total Depth: 1478'
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 1478
feet depth to Surface w/ 210 sx cmt.

Drilling Fluid Management Plan ATE NS 1-009
(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: Project Engineer Date: 11-5-08
Subscribed and sworn to before me this 5 day of November,
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
 Geologist Report Received
RECEIVED
KANSAS CORPORATION COMMISSION

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

NOV 06 2008

CONSERVATION DIVISION
WICHITA, KS

Operator Name: Layne Energy Operating, LLC Lease Name: Faler Well #: 15-32
 Sec. 32 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 <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	<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:60%;">Name</td> <td style="width:20%;">Top</td> <td style="width:20%;">Datum</td> </tr> <tr> <td>Pawnee Lime</td> <td>906 GL</td> <td>-73</td> </tr> <tr> <td>Excello Shale</td> <td>1052 GL</td> <td>-219</td> </tr> <tr> <td>V-Shale</td> <td>1104 GL</td> <td>-271</td> </tr> <tr> <td>Mineral Coal</td> <td>1150 GL</td> <td>-317</td> </tr> <tr> <td>Mississippian</td> <td>1416 GL</td> <td>-583</td> </tr> </table>	Name	Top	Datum	Pawnee Lime	906 GL	-73	Excello Shale	1052 GL	-219	V-Shale	1104 GL	-271	Mineral Coal	1150 GL	-317	Mississippian	1416 GL	-583
Name	Top	Datum																	
Pawnee Lime	906 GL	-73																	
Excello Shale	1052 GL	-219																	
V-Shale	1104 GL	-271																	
Mineral Coal	1150 GL	-317																	
Mississippian	1416 GL	-583																	

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	1478'	Thick Set	210	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		
		RECEIVED KANSAS CORPORATION COMMISSION NOV 06 2008 CONSERVATION DIVISION WICHITA, KS	
TUBING RECORD	Size <u>2-3/8"</u> Set At <u>1446'</u> Packer At _____ Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Date of First, Resumerd Production, SWD or Enhr. 9/24/2008	Producing Method <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other <i>(Explain)</i>		
Estimated Production Per 24 Hours	Oil Bbls. <u>0</u>	Gas Mcf <u>62</u>	Water Bbls. <u>0</u> Gas-Oil Ratio _____ Gravity _____

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

METHOD OF COMPLETION Open Hole Perf. Dually Comp. Commingled _____

Production Interval Other *(Specify)* _____

Operator Name:	Layne Energy Operating, LLC.		
Lease Name:	Faler 15-32		
	Sec. 32 Twp. 31S Rng. 14E, Montgomery County		
API:	15-125-31666-00-00		
Shots per Foot	Perforation Record	Acid, Fracture, Shot, Cement Squeeze Record	Depth
Initial Perforations (September 2008)			
4	Rowe 1361.5' - 1363.5'	2400 lbs 20/40 sand 192 bbls water 300 gals 15% HCl acid	1361.5' - 1363.5'
4	Weir 1214' - 1216'	3200 lbs 20/40 sand 330 bbls water 450 gals 15% HCl acid	1214' - 1216'
4	Scammon 1166' - 1167.5' Mineral 1149.5' - 1151'	5100 lbs 20/40 sand 347 bbls water 400 gals 15% HCl acid	1149.5' - 1167.5'
4	Croweburg 1104' - 1107' Iron Post 1083.5' - 1085'	6300 lbs 20/40 sand 360 bbls water 400 gals 15% HCl acid	1083.5' - 1107'
4	Mulky 1052' - 1057.5'	6900 lbs 20/40 sand 371 bbls water 450 gals 15% HCl acid	1052' - 1057.5'

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CONSERVATION DIVISION
WICHITA, KS

GEOLOGIC REPORT

LAYNE ENERGY
Faler 15-32
SW SE, 486 FSL, 2181 FEL
Section 32-T31S-R14E
Montgomery County, KS

Spud Date: 7/25/2008
Drilling Completed: 7/29/2008
Logged: 7/29/2008
A.P.I. #: 15125316660000
Ground Elevation: 833'
Depth Driller: 1482'
Depth Logger: 1482'
Surface Casing: 8.625 inches at 21'
Production Casing: 4.5 inches at 1478'
Cemented Job: Consolidated
Open Hole Logs: Dual Induction SFL/GR, Litho Density /
Neutron Logs

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Formation	Tops	
	(below ground)	(subsea)
	Surface (South	
	Bend Limestone	
Lansing Group	Member)	833
Pawnee Limestone	906	-73
Excello Shale	1,052	-219
"V" Shale	1,104	-271
Mineral Coal	1,150	-317
Mississippian	1,416	-583

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CONSERVATION DIVISION
WICHITA, KS

Daily Well Work Report

FALER 15-32
7/29/2008

Well Location:
MONTGOMERY KS
31S-14E-32 SW SE
486FSL / 2181FEL

Cost Center G01012800400
Lease Number G010128
Property Code KSSY31S14E3215
API Number 15-125-31666

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Spud Date	RDMO Date	First Compl	First Prod	EFM Install	CygnnetID
7/25/2008	7/29/2008	9/11/2008	9/24/2008	9/23/2008	FALER_15_32
TD	PBTD	Sf Csg Depth	Pr Csg Depth	Tbg Size	Csg Size
1482	1478	21	1478		

Reported By KRD	Rig Number	Date 7/25/2008
Taken By KRD		Down Time
Present Operation DRILL OUT SURFACE		Contractor THORNTON ROTARY

Narrative

MIRU THORNTON DRILLING, DRILLED 11" HOLE, 21' DDEP, 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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WICHITA, KS



CONSOLIDATED
Oil Well Services, LLC

ENTERED

TICKET NUMBER 18906

LOCATION EMERYA

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
7-30-08	4758	FORNER 15-32				MC
CUSTOMER		MAILING ADDRESS		TRUCK #		DRIVER
Layne Energy		P.O. Box 160		463		Shannon
CITY		STATE	ZIP CODE	502		Phillip
Sycamore		KS				NOV 05 2008
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GUS
JONES

JOB TYPE long string HOLE SIZE 6 7/8" HOLE DEPTH 1482' CASING SIZE & WEIGHT 4 1/2" 10.5"
 CASING DEPTH 1480' DRILL PIPE _____ TUBING _____ OTHER _____
 SLURRY WEIGHT 139# SLURRY VOL 52 bbl WATER gal/sk 6.' CEMENT LEFT in CASING 0'
 DISPLACEMENT 23.5 bbl DISPLACEMENT PSI 800 PSI 1200 RATE _____

REMARKS: Safety meeting. Rig up to 4 1/2" casing. Break circulation w/ 30 bbl fresh water. Washdown 20' to TD. Pump 40 bbl water ahead. Pump 6 3/4 gal-flush w/ bulls. 5 bbl water spacer. Mix 210 gal 50/50 premix cement w/ 22 sacks, 270 gal, 4" Kat-seal, 3" cal-seal, 1/2" phenoseal 100/100, 1/2" FL-110 + 1/2" CAP-38 @ 1500 psi yield 1.40. Washout pump & lines, shut down, release plug. Displace w/ 23.5 bbl fresh water. Final pump pressure 800 PSI. Pump 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	925.00	925.00
5406	40	MILEAGE	3.65	146.00
1124	210 sacks	50/50 premix cement	9.25	2047.50
1102	350"	270 cack2	.75	262.50
1118A	350"	270 gal	.17	59.50
110A	840"	4" Kat-seal 100/100	.42	352.80
1101	630"	3" cal-seal 100/100	.36	226.80
1102A	26"	1/2" phenoseal 100/100	1.15	29.90
1135	105"	1/2" FL-110	7.50	787.50
1146	53"	1/4" CAP-38	7.70	408.10
1118A	300"	gel-flush	.17	51.00
1105	50"	bulls	.39	19.50
5407A	8.82	tan-mileage bulk tire	1.20	105.84
4404	1	4 1/2" top rubber plug	45.00	45.00
5605A	4 hrs	welder	85.00	340.00
4311	1	4 1/2" weld on collar	60.00	60.00
			Subtotal	6124.46
			5.3%	SALES TAX
				230.55
			ESTIMATED TOTAL	6415.01

Revin 3737

AUTHORIZATION

Jacobs Med

TITLE

204163

DATE