

CONFIDENTIAL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL

Form ACO-1
September 1999
Form Must Be Typed

12/19/10

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: MoKat **CONFIDENTIAL**
License: 5831 **DEC 19 2008**
Wellsite Geologist: _____

Designate Type of Completion: **KCC**
 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. _____

<u>9/19/2008</u>	<u>9/23/2008</u>	<u>10/13/2008</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 125-31781-00-00
County: Montgomery
NE SE SW NE Sec. 33 Twp. 33 S. R. 16 East West
2078 feet from S / **(N)** (circle one) Line of Section
1486 feet from **(E)** W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) **(E)** SE NW SW
Lease Name: Stair Well #: 7-33
Field Name: Cherokee Basin Coal Area
Producing Formation: Cherokee Coals
Elevation: Ground: 815' Kelly Bushing: _____
Total Depth: 1232' Plug Back Total Depth: 1232'
Amount of Surface Pipe Set and Cemented at 42 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set _____ Feet
If Alternate II completion, cement circulated from 1232
feet depth to Surface w/ 185 sx cmt.

Drilling Fluid Management Plan At II W 3309
(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: 12/18/08
Subscribed and sworn to before me this 18 day of December,
20 08.
Notary Public: MacLaughlin Darling
Date Commission Expires: 1-4-2009

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

KCC Office Use ONLY
 Letter of Confidentiality Attached
If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received
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Public Distribution

CONSERVATION DIVISION
WICHITA, KS

Operator Name: Layne Energy Operating, LLC Lease Name: Stair Well #: 7-33
 Sec. 33 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	<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>514 GL</td> <td>301</td> </tr> <tr> <td>Excello Shale</td> <td>694 GL</td> <td>121</td> </tr> <tr> <td>V-Shale</td> <td>746 GL</td> <td>69</td> </tr> <tr> <td>Mineral Coal</td> <td>799 GL</td> <td>16</td> </tr> <tr> <td>Mississippian</td> <td>1145 GL</td> <td>-330</td> </tr> </table>	Name	Top	Datum	Pawnee Lime	514 GL	301	Excello Shale	694 GL	121	V-Shale	746 GL	69	Mineral Coal	799 GL	16	Mississippian	1145 GL	-330
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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	42'	Class A	8	Type 1 cement
Casing	6.75"	4.5"	10.5	1232'	Thick Set	185	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 (Amount and Kind of Material Used)	Depth
	See Attached Page		

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TUBING RECORD	Size	Set At	Packer At	Liner Run
	2-3/8"	1183'		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

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Date of First, Resumerd Production, SWD or Enhr. 11/26/2008	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.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity
	0	4	0		

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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) _____	

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 KOC

Operator Name:	Layne Energy Operating, LLC.		
Lease Name:	Stair 7-33		
	Sec. 33 Twp. 33S Rng. 16E, Montgomery County		
API:	15-125-31781-00-00		
Shots per Foot	Perforation Record	Acid, Fracture, Shot, Cement Squeeze Record	Depth
Initial Perforations (October 2008)			
4	Riverton 1130' - 1132.5'	2800 lbs 20/40 sand 415 bbls water 950 gals 15% HCl acid	1130' - 1132.5'
4	Rowe 1070.5' - 1072'	2400 lbs 20/40 sand 154 bbls water 300 gals 15% HCl acid	1070.5' - 1072'
4	Weir 887.5' - 891'	4700 lbs 20/40 sand 218 bbls water 300 gals 15% HCl acid	887.5' - 891'
4	Mineral 798.5' - 800'	2400 lbs 20/40 sand 176 bbls water 100 gals 15% HCl acid	798.5' - 800'
4	Croweburg 746.5' - 748.5' Bevier 731' - 732.5' Iron Post 721.5' - 723'	7700 lbs 20/40 sand 467 bbls water 400 gals 15% HCl acid	721.5' - 748.5'
4	Mulky 694.5' - 697.5'	4500 lbs 20/40 sand 442 bbls water 500 gals 15% HCl acid	694.5' - 697.5'

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GEOLOGIC REPORT

LAYNE ENERGY
Stair 7-33
SW NE, 2078 FNL, 1486 FEL
Section 33-T33S-R16E
Montgomery County, KS

Spud Date: 9/19/2008
Drilling Completed: 9/23/2008
Logged: 9/23/2008
A.P.I. #: 15125317810000
Ground Elevation: 815'
Depth Driller: 1232'
Depth Logger: 1238'
Surface Casing: 8.625 inches at 42'
Production Casing: 4.5 inches at 1232'
Cemented Job: 0
Open Hole Logs: Dual Induction SFL/GR, Litho Density /
Neutron Logs

Formation	Tops	
	(below ground)	(subsea)
	Surface (Nellie Bly Formation)	815
Kansas City Group		
Pawnee Limestone	514	301
Excello Shale	694	121
"V" Shale	746	69
Mineral Coal	799	16
Mississippian	1,145	-330

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CONSOLIDATED
Oil Well Services, LLC

ENTERED

TICKET NUMBER 19481
LOCATION EUREKA
FOREMAN Rick Laddard

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																
9-24-08	4758	Star 7-33				MG																
CUSTOMER			<table border="1"> <thead> <tr> <th>TRUCK #</th> <th>DRIVER</th> <th>TRUCK #</th> <th>DRIVER</th> </tr> </thead> <tbody> <tr> <td>463</td> <td>Shannon</td> <td></td> <td></td> </tr> <tr> <td>479</td> <td>John</td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>				TRUCK #	DRIVER	TRUCK #	DRIVER	463	Shannon			479	John						
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463	Shannon																					
479	John																					
MAILING ADDRESS																						
CITY																						
STATE																						
ZIP CODE																						

JOB TYPE longstring HOLE SIZE 6 3/4" HOLE DEPTH 1238' CASING SIZE & WEIGHT 4 1/2" 10.5"
 CASING DEPTH 1232' DRILL PIPE _____ TUBING _____ OTHER _____
 SLURRY WEIGHT 18.9° SLURRY VOL. 46 bbl WATER gal/sk 6. CEMENT LEFT in CASING 0'
 DISPLACEMENT 19° bbl DISPLACEMENT PSI 700 PSI 1100 RATE _____

REMARKS: Safety meeting. Rig up to 4 1/2" casing. Break circulation w/ 25 bbl fresh water washdown 10' to T.D. Pump 50 bbl water ahead. Pump 6 sks gel-flush w/ bulls, 5 bbl water spacer. Mixed 185 sks 50/50 Permex cement w/ 270 cccl2, 270 gal, 4" Rot-seal, 3" cal-seal, 1/8" phenoseal 100/sk, 1/2" to fl-110 + 1/2" CAF-38 @ 139°/gal. yield 1.40. Washout pump + lines, shut down, release plug. Displace w/ 19° bbl fresh water. Final pump pressure 700 PSI. Bump plug to 1400 PSI. Wait 2 mins. release pressure, fluid held. Good cement returns to surface & 2 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	185 sks	50/50 Permex cement	9.25	1803.75
1102	310°	270 cccl2	.25	238.50
1118A	310°	270 gal	.17	52.70
1110A	740°	4" Rot-seal 100/sk	.42	310.80
1101	555°	3" cal-seal 100/sk	.36	199.80
1107A	23°	1/8" phenoseal 100/sk	1.15	26.45
1135	92°	1/2" to fl-110	7.50	690.00
1176	46°	1/4" to CAF-38	7.70	354.20
1118A	300°	gel-flush	.17	51.00
1105	50°	bulls	.39	19.50
5407A	7.77	Gen-mileage bulk trk	1.20	372.96
4404	1	4 1/2" top rubber plug	45.00	45.00
5605A	4 hrs	welder	85.00	340.00
			Subtotal	5567.66
			SALES TAX	200.63
			ESTIMATED TOTAL	5770.29

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Revin 3737

AUTHORIZATION

Jacoby McCl...

TITLE

0206004

DATE

Daily Well Work Report

STAIR ~~(LUNDRY)~~ 7-33
9/23/2008

Well Location:
MONTGOMERY KS
33S-16E-33 NE SE SW NE
2078FNL / 1486FEL

Cost Center G01022000200
Lease Number G010220
Property Code GLNA226
API Number 15-125-31781

Spud Date	RDMO Date	First Compl	First Prod	EFM Install	CygnnetID
9/19/2008	9/23/2008	10/13/2008	11/26/2008	10/16/2008	STAIR_7_33
TD	PBTD	Sf Csg Depth	Pr Csg Depth	Tbg Size	Csg Size
1232	1232	42	1232		

Reported By krd	Rig Number	Date 9/19/2008
Taken By krd		Down Time
Present Operation DRILL OUT SURFACE		Contractor MOKAT

Narrative

MIRU MOKAT DRILLING, DRILLED 11" HOLE, 42' DEEP, RIH W/2 JT 8 5/8" SURFACE CASING, MIXED 8 SX TYPE 1 CEMENT, DUMPED DOWN THE BACKSIDE. SDFN.
DWC:\$3160

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Tuesday, December 09, 2008

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