

CONFIDENTIAL

ORIGINAL

12/18/10

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

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: CONFIDENTIAL  
Operator Contact Person: Timothy H. Wright  
Phone: (913) 748-3960  
Contractor: Name: Thornton Drilling  
License: 33606

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. \_\_\_\_\_

9/26/2008	9/30/2008	10/30/2008
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 ~~041~~ 22521-00-00  
County: Elk  
W2 NW NE Sec. 22 Twp. 31 S. R. 12  East  West  
633 feet from S /  N (circle one) Line of Section  
2236 feet from  E / W (circle one) Line of Section

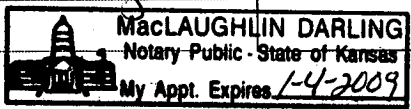
Footages Calculated from Nearest Outside Section Corner:  
(circle one)  NE  SE  NW  SW  
Lease Name: KCE Well #: 2-22  
Field Name: Cherokee Basin Coal Area  
Producing Formation: Cherokee Coals  
Elevation: Ground: 1062' Kelly Bushing: \_\_\_\_\_  
Total Depth: 1813' Plug Back Total Depth: 1808'  
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 1808  
feet depth to Surface w/ 100 sx cmt.

Drilling Fluid Management Plan ATTN: NJ 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: [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



**KCC Office Use ONLY**  
 Letter of Confidentiality Attached  
 If Denied, Yes  Date: \_\_\_\_\_  
 Wireline Log Received  
 Geologist Report Received  
 UIC Distribution  
**RECEIVED**  
KANSAS CORPORATION COMMISSION  
**DEC 22 2008**  
CONSERVATION DIVISION  
WICHITA, KS

Operator Name: Layne Energy Operating, LLC Lease Name: KCE Well #: 2-22  
 Sec. 22 Twp. 31 S. R. 12  East  West County: Elk

**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	<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>1316 GL</td> <td>-254</td> </tr> <tr> <td>Excello Shale</td> <td>1417 GL</td> <td>-355</td> </tr> <tr> <td>V-Shale</td> <td>1485 GL</td> <td>-423</td> </tr> <tr> <td>Mississippian</td> <td>1742 GL</td> <td>-680</td> </tr> </table>	<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample	Name	Top	Datum	Pawnee Lime	1316 GL	-254	Excello Shale	1417 GL	-355	V-Shale	1485 GL	-423	Mississippian	1742 GL	-680
<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample																	
Name	Top	Datum																	
Pawnee Lime	1316 GL	-254																	
Excello Shale	1417 GL	-355																	
V-Shale	1485 GL	-423																	
Mississippian	1742 GL	-680																	

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	# Sacs Used	Type and Percent Additives
Surface	11"	8.625"	24	42'	Class A	8	Type 1 cement
Casing	6.75"	4.5"	10.5	1808'	Thick Set	100	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 <u>2-3/8"</u>	Set At <u>1542'</u>	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	CONSERVATION DIVISION WICHITA, KS
Date of First, Resumerd Production, SWD or Enhr.		Producing Method <input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)			
Shut-In					
Estimated Production Per 24 Hours	Oil Bbbs. <u>0</u>	Gas Mcf	Water Bbbs. <u>0</u>	Gas-Oil Ratio	Gravity

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 checked="" type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input checked="" type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify)	CONFIDENTIAL DEC 19 2008 KCC

<b>Operator Name:</b>	Layne Energy Operating, LLC.		
<b>Lease Name:</b>	KCE 2-22		
	Sec. 22 Twp. 31S Rng. 12E, Elk County		
<b>API:</b>	15-049-22521-00-00		
<b>Shots per Foot</b>	<b>Perforation Record</b>	<b>Acid, Fracture, Shot, Cement Squeeze Record</b>	<b>Depth</b>
<b>Initial Perforations (October 2008)</b>			
4	Croweburg 1485.5' - 1488' Bevier 1470' - 1472'	6000 lbs 20/40 sand 406 bbls water 400 gals 15% HCl acid	1470' - 1488'
4	Mulky 1418.5' - 1422' Summit 1403.5' - 1405'	10000 lbs 20/40 sand 725 bbls water 400 gals 15% HCl acid	1403.5' - 1422'

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WICHITA, KS

# GEOLOGIC REPORT

LAYNE ENERGY  
KCE 2-22  
W2 NW NE, 633 FNL, 2236 FEL  
Section 22-T31S-R12E  
ELK County, KS

Spud Date: 9/26/2008  
Drilling Completed: 9/30/2008  
Logged: 10/1/2008  
A.P.I. #: 15049225210000  
Ground Elevation: 1062'  
Depth Driller: 1813'  
Depth Logger: 1757'  
Surface Casing: 8.625 inches at 42'  
Production Casing: 4.5 inches at 1808'  
Cemented Job: Consolidated  
Open Hole Logs: Dual Induction SFL/GR, Litho Density /  
Neutron Logs

Formation	Tops	
	(below ground)	(subsea)
	Surface (Oread	
Shawnee Group	Limestone)	1,062
Pawnee Limestone	1,316	-254
Excello Shale	1,417	-355
"V" Shale	1,485	-423
Mineral Coal		
Mississippian	1,742	-680

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# Daily Well Work Report

KCE 2-22  
9/30/2008

**Well Location:**  
ELK KS  
31S-12E-22 W2 NW NE  
633FNL / 2236FEL

**Cost Center** G01067100100  
**Lease Number** G010671  
**Property Code** KSEC31S12E2202  
**API Number** 15-049-22521

Spud Date	RDMO Date	First Compl	First Prod	EFM Install	CygnnetID
9/26/2008	9/30/2008	10/30/2008		11/6/2008	KCE_2_22
TD	PBTD	Sf Csg Depth	Pr Csg Depth	Tbg Size	Csg Size
1813	1808	42	1808	0	0

<b>Reported By</b> KRD	<b>Rig Number</b>	<b>Date</b> 9/26/2008
<b>Taken By</b> KRD		<b>Down Time</b>
<b>Present Operation</b> DRILL OUT SURFACE		<b>Contractor</b> THORNTON ROTARY

## Narrative

MIRU THORNTON 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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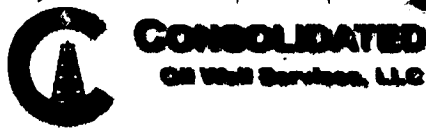
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WICHITA, KS

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ENTERED

TICKET NUMBER 19476  
 LOCATION Eureka  
 FOREMAN Kevin McCoy

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
10-1-08	4758	KCE 2-22	22	315	12E	ELK
CUSTOMER <u>Layne Energy</u>			Gus Jones Rig 1			
MAILING ADDRESS <u>P.O. Box 160</u>			TRUCK #	DRIVER	TRUCK #	DRIVER
CITY <u>Sycamore</u>			445	Justin		
STATE <u>Ks</u>			441	DAVE		
ZIP CODE			515	JERRID		

JOB TYPE Longstring HOLE SIZE 6 3/4 HOLE DEPTH 1813' CASING SIZE & WEIGHT 4 1/2 10.5' New  
 CASING DEPTH 1808 DRILL PIPE \_\_\_\_\_ TUBING \_\_\_\_\_ OTHER \_\_\_\_\_  
 SLURRY WEIGHT 13.9-13.2 SLURRY VOL 69 BBL WATER gal/sk 6'-8.0 CEMENT LEFT in CASING 0'  
 DISPLACEMENT 29 BBL DISPLACEMENT PSI 1000 BUMP PSI 1400 Bump Plug RATE Displacement Rate 3.2-2 BPM

REMARKS: Safety Meeting: Rig up to 4 1/2 casing w/ wash head. Break circulation w/ 30 BBL fresh water. wash down to 4 1/2 w/ additional 60 BBL fresh water. Pump 10 sks Gel flush w/ HULLS 60 BBL WATER SPACER, 12 BBL CAUSTIC SODA Pre flush, 10 BBL water spacer. Shut down. Rig up Cement Head. Mixed 100 sks 50/50 Pozmix Cement w/ 2% Cacl2, 2% Gel, 4" Kol-Seal, 3" Cal-Seal, 1/8" Pheno Seal, 1/2% CFL-110, 1/4% CAF-38 @ 13.9' / gal, yield 1.40. Tail in w/ 125 sks Thick Set Cement w/ 8" Kol-Seal, 1/2% CFL-110, 1/4% CAF-38 @ 13.2' / gal, yield 1.75. Wash out Pump & Lines. Shut down. Release Plug. Displace w/ 29 BBL fresh water. FINAL Pumping Pressure 1000 PSI. Bump Plug to 1400 PSI. wait 2 minutes. Release Pressure. Float Held. Good Cement Returns to SURFACE = 9 BBL slurry (36 sks) To Pit. Job Complete. Rig down

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	100 sks	50/50 Pozmix Cement	9.75	975.00
1102	170 *	Cacl2 2%	.75	127.50
1118 A	170 *	Gel 2%	.17	28.90
1110 A	400 *	Kol-Seal 4" /sk	.42	168.00
1101	300 *	Cal-Seal 3" /sk	.36	108.00
1107 A	28 *	Pheno Seal 1/8" /sk (in all of cement)	1.15	32.20
1135	100 *	CFL-110 1/2% (in all of cement)	7.50	750.00
1146	50 *	CAF-38 1/4% (in all of cement)	7.70	385.00
1126 A	125 sks	THICK Set Cement	17.00	2125.00
1110 A	1000 *	Kol-Seal 8" /sk	.42	420.00
1118 A	500 *	Gel Flush	.17 *	85.00
1105	50 *	Hulls	.39	19.50
5407	11.07 Tons	Ton Mileage Bulk Trucks	M/C x 2	630.00
4404	1	4 1/2 Top Rubber Plug	45.00	45.00
5605 A	4 Hrs	Weider	85.00	340.00
4311	1	weid on Collar 4 1/2	70.00	70.00
		6.3%	SALES TAX	336.38
			ESTIMATED TOTAL	7,716.48

Revin 3737

THANK YOU 206355

AUTHORIZATION Witnessed By Jacob TITLE Layne Co. Rep. DATE \_\_\_\_\_