

CONFIDENTIAL

ORIGINAL

1/29/11

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:
Operator Contact Person: Timothy H. Wright JAN 29 2009
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.
10/7/2008 10/9/2008 12/23/2008
Spud Date or Date Reached TD Completion Date or Recompletion Date

API No. 15 - 125-31768-00-00
County: Montgomery
E2 SW NE Sec. 2 Twp. 31 S. R. 13 East West
2032 feet from S / N (circle one) Line of Section
1783 feet from E W (circle one) Line of Section
Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Westfall Well #: 7-2
Field Name: Cherokee Basin Coal Area
Producing Formation: Cherokee Coals
Elevation: Ground: 1060' Kelly Bushing:
Total Depth: 1613 Plug Back Total Depth: 1590'
Amount of Surface Pipe Set and Cemented at 43 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set Feet
If Alternate II completion, cement circulated from 1590
feet depth to Surface w/ 100 sx cmt.

Drilling Fluid Management Plan AK UNJ 4-13-09
(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: Project Engineer Date: 1/29/09
Subscribed and sworn to before me this 29 day of January, 2009.
Notary Public: MacLaughlin Darling
Date Commission Expires: 1-4-2013

KCC Office Use ONLY
Letter of Confidentiality Attached
If Denied, Yes Date:
Wireline Log Received
Geologist Report Received
UIC Distribution
RECEIVED
KANSAS CORPORATION COMMISSION
JAN 30 2009
CONSERVATION DIVISION
WICHITA, KS
MacLAUGHLIN DARLING
Notary Public State of Kansas
My Appt. Expires 1-4-2013

Operator Name: Layne Energy Operating, LLC Lease Name: Westfall Well #: 7-2  
 Sec. 2 Twp. 31 S. R. 13  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 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	<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>1150 GL</td> <td>-90</td> </tr> <tr> <td>Excello Shale</td> <td>1263 GL</td> <td>-203</td> </tr> <tr> <td>V-Shale</td> <td>1330 GL</td> <td>-270</td> </tr> <tr> <td>Mississippian</td> <td>1572 GL</td> <td>-512</td> </tr> </table>	Name	Top	Datum	Pawnee Lime	1150 GL	-90	Excello Shale	1263 GL	-203	V-Shale	1330 GL	-270	Mississippian	1572 GL	-512
Name	Top	Datum														
Pawnee Lime	1150 GL	-90														
Excello Shale	1263 GL	-203														
V-Shale	1330 GL	-270														
Mississippian	1572 GL	-512														

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	43'	Class A	8	Type 1 cement
Casing	6.75"	4.5"	10.5	1590'	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				<b>KCC</b> <b>JAN 29 2009</b> <b>CONFIDENTIAL</b>

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		

TUBING RECORD	Size	Set At	Packer At	Liner Run	
	2-3/8"	1400'		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Date of First, Resumerd Production, SWD or Enhr.		Producing Method			
1/9/2009		<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	<1	0		

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) \_\_\_\_\_

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**WICHITA, KS**

<b>Operator Name:</b>	Layne Energy Operating, LLC.		
<b>Lease Name:</b>	Westfall 7-2		
	Sec. 2 Twp. 31S Rng. 13E, Montgomery County		
<b>API:</b>	15-125-31768-00-00		
<b>Shots per Foot</b>	<b>Perforation Record</b>	<b>Acid, Fracture, Shot, Cement Squeeze Record</b>	<b>Depth</b>
<b>Initial Perforations (December 2008)</b>			
4	Croweburg 1330' - 1332' Bevier 1312' - 1313.5'	5400 lbs 20/40 sand 358 bbls water 400 gals 15% HCl acid	1312' - 1332'
4	Mulky 1263' - 1265.5' Summit 1250' - 1252'	7000 lbs 20/40 sand 453 bbls water 500 gals 15% HCl acid	1250' - 1265.5'
4	Mulberry 1147.5' - 1149'	2400 lbs 20/40 sand 174 bbls water 250 gals 15% HCl acid	1147.5' - 1149'

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# GEOLOGIC REPORT

LAYNE ENERGY  
Westfall 7-2  
SW NE, 2032 FNL, 1783 FEL  
Section 2-T31S-R13E  
Montgomery County, KS

Spud Date: 10/7/2008  
Drilling Completed: 10/9/2008  
Logged: 10/9/2008  
A.P.I. #: 15125317680000  
Ground Elevation: 1060'  
Depth Driller: 1613'  
Depth Logger: 1609'  
Surface Casing: 8.625 inches at 43'  
Production Casing: 4.5 inches at 1590'  
Cemented Job: 0  
Open Hole Logs: High Resolution Compensated Density Sidewall  
Neutron Log; Dual Induction LL3/GR Log

Formation	Tops	
	(below ground)	(subsea)
	Surface (Ireland	
	Sandstone	
Douglas Group	Member)	1,060
Pawnee Limestone	1,150	-90
Excello Shale	1,263	-203
"V" Shale	1,330	-270
Mineral Coal		
Mississippian	1,572	-512

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WICHITA, KS

# Daily Well Work Report

WESTFALL 7-2  
10/9/2008

**Well Location:**  
MONTGOMERY KS  
31S-13E-2 E2 SW NE  
2032FNL / 1783FEL

**Cost Center** G01057300500  
**Lease Number** G010573  
**Property Code** KSSY31S11E0207  
**API Number** 15-125-31768

Spud Date	RDMO Date	First Compl	First Prod	EFM Install	CygnetsID
10/7/2008	10/9/2008	12/23/2008	1/9/2009	1/9/2009	WESTFALL_7_2
TD	PBTD	Sf Csg Depth	Pr Csg Depth	Tbg Size	Csg Size
1613	1590	43	1590	0	0

<b>Reported By</b> KRD	<b>Rig Number</b>	<b>Date</b> 10/7/2008
<b>Taken By</b> KRD		<b>Down Time</b>
<b>Present Operation</b> DRILL OUT SURFACE		<b>Contractor</b> THORNTON ROTARY

## Narrative

MIRU THORNTON ROTARY DRILLING, DRILLED 11" HOLE, 43' 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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