

**CONFIDENTIAL**

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KANSAS CORPORATION COMMISSION

**ORIGINAL**

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

JAN 09 2009

Form ACO-1  
September 1999  
Form Must Be Typed

**WELL COMPLETION FORM**  
WELL HISTORY - DESCRIPTION OF WELL & LEASE

CONSERVATION DIVISION  
WICHITA, KS

1108/11

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 Drilling  
License: 33606  
Wellsite Geologist: \_\_\_\_\_

API No. 15 - 125-31415-00-01  
County: Montgomery  
\_\_\_\_\_ NE NE Sec. 29 Twp. 32 S. R. 16  East  West  
389 feet from S /  (circle one) Line of Section  
565 feet from  W (circle one) Line of Section  
Footages Calculated from Nearest Outside Section Corner:  
(circle one)  NE SE NW SW  
Lease Name: Shepherd Well #: 1-29  
Field Name: Cherokee Basin Coal Area  
Producing Formation: Cherokee Coals  
Elevation: Ground: 772' Kelly Bushing: \_\_\_\_\_  
Total Depth: 1188' Plug Back Total Depth: 1171'  
Amount of Surface Pipe Set and Cemented at 20 Feet  
Multiple Stage Cementing Collar Used?  Yes  No  
If yes, show depth set \_\_\_\_\_ Feet  
If Alternate II completion, cement circulated from 1171  
feet depth to Surface w/ 125 sx cmt.

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: SAME AS ABOVE  
Well Name: \_\_\_\_\_  
Original Comp. Date: 10/27/2007 Original Total Depth: 1188'  
 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. \_\_\_\_\_  
10/1/2008 10/1/2008  
Spud Date or Recompletion Date Date Reached TD Completion Date or Recompletion Date

Drilling Fluid Management Plan WD MD 7-27-09  
(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:   
Title: Agent Date: 1/7/09  
Subscribed and sworn to before me this 7 day of January,  
20 09.  
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

Operator Name: Layne Energy Operating, LLC Lease Name: Shepherd Well #: 1-29  
 Sec. 29 Twp. 32 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: <u>(prev)</u>  Compensated Density Neutron Dual Induction	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample  <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:60%;">Name</th> <th style="width:20%;">Top</th> <th style="width:20%;">Datum</th> </tr> </thead> <tbody> <tr> <td>Pawnee Lime</td> <td>494 GL</td> <td>278</td> </tr> <tr> <td>Excello Shale</td> <td>651 GL</td> <td>121</td> </tr> <tr> <td>V-Shale</td> <td>698 GL</td> <td>74</td> </tr> <tr> <td>Mineral Coal</td> <td>740 GL</td> <td>32</td> </tr> <tr> <td>Mississippian</td> <td>1085 GL</td> <td>-313</td> </tr> </tbody> </table>	Name	Top	Datum	Pawnee Lime	494 GL	278	Excello Shale	651 GL	121	V-Shale	698 GL	74	Mineral Coal	740 GL	32	Mississippian	1085 GL	-313
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*KC  
1/12/09*

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	20'	Class A	4	Type 1 cement
Casing	6.75"	4.5"	10.5	1171'	Thick Set	125	#10 KOL seal @ sx

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	RECEIVED KANSAS CORPORATION COMMISSION  JAN 09 2009  CONSERVATION DIVISION WICHITA, KS	

TUBING RECORD      Size <u>2-3/8"</u> Set At <u>1109'</u> Packer At _____ Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Date of First, Resumerd Production, SWD or Enhr. <u>10/8/2008</u> 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 Bbbs. <u>0</u> Gas Mcf <u>40</u> Water Bbbs. <u>0</u> Gas-Oil Ratio _____      Gravity _____	

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) \_\_\_\_\_

<b>Operator Name:</b>	Layne Energy Operating, LLC.		
<b>Lease Name:</b>	Shepherd 1-29		
	Sec. 29 Twp. 32S Rng. 16E, Montgomery County		
<b>API:</b>	15-125-31415-00-01		
<b>Shots per Foot</b>	<b>Perforation Record</b>	<b>Acid, Fracture, Shot, Cement Squeeze Record</b>	<b>Depth</b>
<b>Initial Perforations (October 2007)</b>			
4	Mineral 740' - 742' V-Shale 698' - 701'	6313 lbs 20/40 sand 499 bbls water 500 gals 15% HCl acid	698' - 742'
4	Iron Post 672' - 674' Mulky 650' - 653' Summit 622' - 625'	1400 lbs 20/40 sand 402 bbls water 500 gals 15% HCl acid	622' - 674'
4	(re-perforated) Mulky 652.5' - 655.5' Summit 622' - 624'	2500 lbs 20/40 sand 485 bbls water 400 gals 15% HCl acid	622' - 655.5'
<b>Recompletion Perforations (October 2008)</b>			
4	Riverton 1066.5' - 1069.5'	3000 lbs 20/40 sand 617 bbls water 570 gals 15% HCl acid	1066.5' - 1069.5'

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