

CONFIDENTIAL
3-31-11

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

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JUL 23 2010 ORIGINAL

KCC WICHITA Form ACO-1
June 2009
Form Must Be Typed
Form must be Signed
All blanks must be Filled

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

OPERATOR: License # 33365
Name: Layne Energy Operating, LLC
Address 1: 1900 Shawnee Mission Parkway
Address 2:
City: Mission Woods State: KS Zip: 66205 + 2001
Contact Person: Victor H. Dyal
Phone: (913) 748-3960
CONTRACTOR: License # 33606
Name: Thornton Air Rotary, LLC
Wellsite Geologist:
Purchaser:

Designate Type of Completion:
 New Well Re-Entry Workover
 Oil WSW SWD SLOW
 Gas D&A ENHR SIGW
 OG GSW Temp. Abd.
 CM (Coal Bed Methane)
 Cathodic Other (Core, Expl., etc.):

If Workover/Re-entry: Old Well Info as follows:
Operator: Layne Energy Operating, LCC

Well Name: KCE 2-22 Recompletion FROM gas well TO oil well
Original Comp. Date: 9/26/2008 Original Total Depth: 1813'
 Deepening Re-perf. Conv. to ENHR Conv. to SWD
 Conv. to GSW
 Plug Back: 1380' Plug Back Total Depth
 Commingled Permit #: _____
 Dual Completion Permit #: _____
 SWD Permit #: _____
 ENHR Permit #: _____
 GSW Permit #: _____

12/5/2008 12/31/2008
Spud Date or Recompletion Date Date Reached TD Completion Date or Recompletion Date

API No. 15 - 049-22521-00-01 (Corrected Recompletion to OIL well)
Spot Description: _____
W2_NW_NE Sec. 22 Twp. 31 S. R. 12 East West
633 Feet from North / South Line of Section
2,236 Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Elk
Lease Name: KCE Well #: 2-22
Field Name: Cherokee Basin Coal Area
Producing Formation: Layton Sands
Elevation: Ground: 1062' Kelly Bushing: N/A
Total Depth: 1813' Plug Back Total Depth: 1380'
Amount of Surface Pipe Set and Cemented at: 42 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set: N/A Feet
If Alternate II completion, cement circulated from: 1808
feet depth to: Surface w/ 100 sx cmt.

Drilling Fluid Management Plan
(Data must be collected from the Reserve Pit)
Chloride content: N/A ppm Fluid volume: N/A bbls
Dewatering method used: N/A -- Air Drilled
Location of fluid disposal if hauled offsite:
Operator Name: N/A
Lease Name: N/A License #: N/A
Quarter N/A Sec. N/A Twp. N/A S. R. N/A East West
County: N/A Permit #: N/A

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.

AFFIDAVIT
I am the affiant and I hereby certify that 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: *Victor H. Dyal*
Title: Manager of Engineering Date: July 19, 2010

KCC Office Use ONLY
 Letter of Confidentiality Received
Date: _____
 Confidential Release Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution
ALT I II III Approved by: *Dlg* Date: 7/26/10

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 complete copy of all Electric Wire-line 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No Electric Log Submitted Electronically <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(If no, 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 Name _____ Top _____ Datum _____ See Driller's Log <div style="text-align: center; font-weight: bold; font-size: 1.2em;"> RECEIVED JUL 23 2010 KCC WICHITA </div>
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CASING RECORD <input 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	# Sacks Used	Type and Percent Additives
Surface	11"	8.625"	24	42'	Class A	8	Type 1 Cement
Production	6.75"	4.5"	10.5	1808'	Thick Set	100	

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		
	CIBP 1380' recompletion FROM gas well TO oil well		

TUBING RECORD:	Size: <u>2-3/8"</u>	Set At: <u>883'</u>	Packer At:	Liner Run: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumed Production, SWD or ENHR. <u>4/13/2009</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 Bbls. <u>1</u>	Gas Mcf <u>0</u>	Water Bbls. <u>0</u>	Gas-Oil Ratio _____

DISPOSITION OF GAS: <input type="checkbox"/> Vented <input checked="" type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	METHOD OF COMPLETION: <input type="checkbox"/> Open Hole <input checked="" type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <i>(Submit ACO-5)</i> <input checked="" type="checkbox"/> Other (Specify): <u>Recompletion to OIL WELL</u>	PRODUCTION INTERVAL: _____ _____
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Operator Name:	Layne Energy Operating, LLC.		
Lease Name:	KCE 2-22		
	Sec. 22 Twp. 31S Rng. 12E, Elk County		
API:	15-049-22521-00-01		
Shots per Foot	Perforation Record	Acid, Fracture, Shot, Cement Squeeze Record	Depth
Initial Perforations (October 2008)			
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'
Recompletion Perforations (December 2008)			
2	Layton Sand 822' - 828' Layton Sand 810' - 818'	14000 lbs 20/40 sand 696 bbls water 400 gals 15% HCl acid	810' - 828'

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KCC WICHITA

Air Drilling
Specialist
Oil and Gas Wells

THORNTON AIR ROTARY, LLC
Office Phone: (620) 879-2073

P.O. Box 449
Caney, KS 67333

Operator LAYNE ENERGY OPERATING, LLC.		Well No. KCE	Lease 2-22 7-22	Loc. 1/4 1/4 1/4	Sec. 22	Twp. 31	Rge. 12E
County ELK		State KS	Type/Well	Depth 1813'	Hours	Date Started 9/26/08	Date Completed 9/30/08
Job No.	Casing Used 44' 8 5/8"	Bit Record			Coring Record		
Driller SEAN	Cement Used 8	Bit No.	Type	size	From	To	% Rec.
Driller	Rig No.			6 3/4"			
Driller	Hammer No.						

Formation Record

From	To	Formation	From	To	Formation	From	To	Formation	From	To	Formation
0	1	DIRT	1039	1105	LIME	1487		GAS TEST (13# 3/8")			
1	3	LIME	1105	1126	SHALE	1549	1565	SAND			
3	15	SHALEY CLAY	1126	1129	LIME	1565	1568	SANDY SHALE			
15	55	SHALE	1129	1143	SHALE	1568	1569	COAL			
55	129	SANDY SHALE	1143	1148	LIME	1569	1620	SHALE			
129	131	LIME	1148	1169	SAND	1588		GAS TEST (16# 3/8")			
131	230	SAND (DAMP)	1169	1173	LIME	1620	1630	SAND			
210		WENT TO WATER	1173	1192	SHALE	1630	1646	SANDY SHALE			
230	295	SANDY SHALE	1192	1200	LIME	1646	1647	COAL?			
295	305	LIME	1200	1316	SHALE	1647	1728	SHALE			
305	400	SAND	1316	1340	LIME (PAWNEE)	1728	1729	COAL (RIVERTON)			
400	440	SANDY SHALE	1340	1345	BLACK SHALE	1729	1745	SHALE			
440	579	SHALE	1345	1349	LIME	1738		GAS TEST (18# 1/2")			
579	600	SAND (LIGHT ODOR)	1349	1352	BLACK SHALE (LEXINGTON)	1745	1770	CHAT (MISSISSIPPI)			
600	647	SHALE	1352	1353	COAL	1770	1813	CHAT / CHERT			
647	650	LIME	1353	1355	LIME	1788		GAS TEST (12# 1/2")			
650	694	SHALE	1355	1383	SHALE						
694	698	LIME	1362		GAS TEST (7# 1/4")						
698	755	SHALE	1383	1400	LIME (OSWEGO)						
755	760	LIME	1400	1408	BLACK SHALE (SUMMIT)			T.D. 1813'			
760	770	LIME SHALE	1408	1417	LIME						
770	775	LIME	1412		GAS TEST (SAME)						
775	807	SAND	1417	1423	BLACK SHALE (EXCELLO)						
807	808	COAL	1423	1424	COAL (MULKEY)						
808	832	SAND	1424	1425	LIME						
812	822	OIL SHOW	1425	1465	SHALE						
32	857	SHALE	1437		GAS TEST (12# 1/4")						
857	984	LIME	1465	1467	LIME						
984	1013	SAND	1467	1471	SHALE						
1013	1027	LIME	1471	1472	COAL						
1027	1039	BLACK SHALE	1472	1549	SHALE						

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