

ORIGINAL

RECEIVED

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

APR 11 2009

4-1-09

3/31/11

CONSERVATION DIVISION WICHITA KS

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 Air Rotary License: 33606

Wellsite Geologist: Designate Type of Completion: [X] New Well [] Re-Entry [] Workover [] Oil [] SWD [] SLOW [] Temp. Abd. [X] 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.

12/10/2008 12/12/2008 1/14/2009 Spud Date or Recompletion Date Date Reached TD Completion Date or Recompletion Date

API No. 15 - 019-26938-00-00 County: Chautauqua S2 NE NW Sec. 10 Twp. 32 S. R. 13 [X] East [] West 821 feet from S / (N) (circle one) Line of Section 1992 feet from E / (W) (circle one) Line of Section Footages Calculated from Nearest Outside Section Corner: (circle one) NE SE (NW) SW Lease Name: Osburn Well #: 3-10 Field Name: Cherokee Basin Coal Area Producing Formation: Cherokee Coals Elevation: Ground: 851' Kelly Bushing: Total Depth: 1411' Plug Back Total Depth: 1388' Amount of Surface Pipe Set and Cemented at 42 Feet Multiple Stage Cementing Collar Used? [] Yes [X] No If yes, show depth set Feet If Alternate II completion, cement circulated from 1388 feet depth to Surface w/ 150 sx cmt.

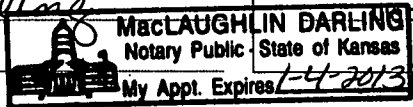
Drilling Fluid Management Plan (Data must be collected from the Reserve Pit) Chloride content N/A ppm Fluid volume bbls Dewatering method used N/A - Air Drilled Location of fluid disposal if hauled offsite: Operator Name: Lease Name: License No.: Quarter Sec. Twp. S. R. [] East [] West County: Docket 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: 3/31/09 Subscribed and sworn to before me this 31 day of March 2009. Notary Public: MacLaughlin Darling Date Commission Expires: 1-4-2013

KCC Office Use ONLY [X] Letter of Confidentiality Attached [X] Wireline Log Received [X] Geologist Report Received Distribution My Appt. Expires 1-4-2013



Operator Name: Layne Energy Operating, LLC Lease Name: Osburn Well #: 3-10
 Sec. 10 Twp. 32 S. R. 13 East West County: Chautauqua

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 border="0" style="width: 100%;"> <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>970 GL</td> <td>-119</td> </tr> <tr> <td>Excello Shale</td> <td>1096 GL</td> <td>-245</td> </tr> <tr> <td>V-Shale</td> <td>1148 GL</td> <td>-297</td> </tr> <tr> <td>Mineral Coal</td> <td>1190 GL</td> <td>-339</td> </tr> <tr> <td>Mississippian</td> <td>1397 GL</td> <td>-546</td> </tr> </table>	Name	Top	Datum	Pawnee Lime	970 GL	-119	Excello Shale	1096 GL	-245	V-Shale	1148 GL	-297	Mineral Coal	1190 GL	-339	Mississippian	1397 GL	-546
Name	Top	Datum																	
Pawnee Lime	970 GL	-119																	
Excello Shale	1096 GL	-245																	
V-Shale	1148 GL	-297																	
Mineral Coal	1190 GL	-339																	
Mississippian	1397 GL	-546																	

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	70	Type 1 cement
Casing	6.75"	4.5"	10.5	1388'	Thick Set	150	8 lbs KOL seal

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
..... Perforate				
..... Protect Casing				
..... Plug Back TD				
..... 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
	Open Hole -- Burgess 1388' - 1411'	RECEIVED KANSAS CORPORATION COMMISSION APR 01 2009 CONSERVATION DIVISION WICHITA, KS	

TUBING RECORD Size <u>2-3/8"</u> Set At <u>1372'</u> Packer At _____ Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Date of First, Resumerd Production, SWD' or Enhr. <u>1/20/2009</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>0</u> Gas Mcf <u>0.1</u> Water Bbls. <u>0</u> Gas-Oil Ratio _____ Gravity _____	

Disposition of Gas Vented Sold Used on Lease *(If vented, Submit ACO-18.)*

METHOD OF COMPLETION Open Hole Perf. Dually Comp. Commingled _____
 Other (Specify) _____

Production Interval _____

Layne Energy, Inc.

1900 Shawnee Mission Parkway, Mission Woods, Kansas 66205 Phone: (913) 748-3987 Fax: (913) 748-3950

RECEIVED
KANSAS CORPORATION COMMISSION

APR 01 2009

CONSERVATION DIVISION
WICHITA, KS

March 31, 2009

Mr. Steve Bond
Kansas Corporation Commission
Oil & Gas Conservation Division
130 S. Market, Room 2078
Wichita, KS 67202

Re: Well Completion Form

Dear Mr. Bond:

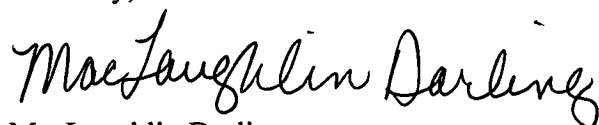
I have enclosed the ACO-1 form and associated data for the following well:

API # 15-019-26938-00-00
Osburn 3-10

We respectfully request that all information submitted be kept confidential. Per provision E-4 of K.A. R. 82-3-107, we request that the term of the confidentiality be extended by one year.

If you need additional information, please contact me at (913) 748-3960.

Sincerely,



MacLaughlin Darling
Engineering Technician

Enclosures



Daily Well Work Report

OSBURN 3-10
12/10/2008

Well Location:
CHAUTAUQUA KS
32S-13E-10 S2 NE NW
821FNL / 1992FWL

Cost Center G01029800200
Lease Number G010298
Property Code KSLE32S13E1003
API Number 15-019-26938

Spud Date	RDMO Date	First Compl	First Prod	EFM Install	CygnnetID
12/10/2008	12/12/2008	1/14/2009	1/20/2009	1/19/2009	OSBURN_3_10

TD	PBTD	Sf Csg Depth	Pr Csg Depth	Tbg Size	Csg Size
1411	1388	42	1388	0	0

Reported By KRD	Rig Number	Date 12/10/2008
Taken By KRD		Down Time
Present Operation DRILL OUT SURFACE		Contractor THORNTON

Narrative

MIRU THORNTON DRILLING, DRILLED 11" HOLE, 42' DEEP, RIH W/2 JTs 8 5/8" SURFACE CASING, MIRU CONSOLIDATED TO CASING, BREAK CIRCULATION W/10 BBLS FRESH WATER. PUMP 2 SKS GEL FLUSH. MIXED 70 SKS CLASS "A" CEMENT W/2%CALCZ AND 2% GEL @ 15# PER/GAL. DISPLACE WITH 2 BBLS FRESH WATER. SHUT CASING IN WITH GOOD CEMENT RETURNS TO SURFACE. RD MOL.
DWC:\$5250

RECEIVED
KANSAS CORPORATION COMMISSION

APR 01 2009

CONSERVATION DIVISION
WICHITA, KS



CONSOLIDATED
Oilfield Services, LLC

ENTERED

TICKET NUMBER 20693

LOCATION Finney

FOREMAN Rick Lott

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
12-12-08	4758	Osborne 3-10				Chanute
CUSTOMER <u>Layne Energy</u>			Gus Jones			
MAILING ADDRESS <u>P.O. Box 160</u>						
CITY <u>Sycamore</u>			TRUCK #	DRIVER	TRUCK #	DRIVER
STATE <u>Ks</u>			<u>413</u>	<u>Sheehan</u>		
ZIP CODE			<u>543</u>	<u>Jarrod</u>		

JOB TYPE logstring HOLE SIZE 6 7/8" HOLE DEPTH 1411' CASING SIZE & WEIGHT 5 1/2" 10.5"
 CASING DEPTH 1388' DRILL PIPE _____ TUBING _____ OTHER _____
 SLURRY WEIGHT 13.9" SLURRY VOL 47 Bbl WATER gal/sk 8.0 CEMENT LEFT in CASING 0'
 DISPLACEMENT 22.0 Bbl DISPLACEMENT PSI 700 PSI 1100 RATE 4.2 Bpm while displacing

REMARKS: Safety meeting - Rig up to 4 1/2" casing. Break circulation w/ 60 Bbl fresh water. Pump 10 sec gel-flush w/ hulls 2 Bbl water spacer. Mixed 100 sec thickset cement w/ 8" Kel-seal, 18" phenoseal, 1/2" EZ-110 + 1/4" CAZ-38 @ 13.9" washout pump + lines, shut down, release plug. Displace w/ 22 Bbl fresh water. Final pump pressure 700 PSI. Pump plug to 1100 PSI. wait 2 minutes release pressure. Flow held. Good cement returns to surface = 8 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	225.00	225.00
5406	48	MILEAGE	3.65	174.00
1126A	150 SKS	thickset cement	17.00	2550.00
1110A	1200"	8" Kel-seal 1 1/2"	.42	504.00
1107A	19"	18" phenoseal 1 1/2"	1.16	21.85
1135	25"	1/2" EZ-110	7.80	195.00
1146	38"	1/4" CAZ-38	7.20	273.60
1118A	500"	gel-flush	.17	85.00
1105	50"	hulls	.38	19.50
5407A	8.95	ton-mileage hull trx	1.20	10.74
4404	1	4 1/2" top rubber plug	45.00	45.00
5605A	4 hrs	welder	85.00	340.00
4311	1	4 1/2" weld on collar	20.00	20.00
			Subtotal	5957.45
			SALES TAX ESTIMATED	261.49
			TOTAL	6218.94

RECEIVED
KANSAS CORPORATION COMMISSION

APR 01 2009

CONSERVATION DIVISION
WICHITA, KS

6.3

Revin 3737

AUTHORIZATION Witnessed by Jacob

228044

TITLE Co. Rep.

DATE

6218.94

GEOLOGIC REPORT

LAYNE ENERGY
Osburn 3-10
S2 NE NW, 821 FNL, 1992 FWL
Section 10-T32S-R13E
CHAUTAUQUA County, KS

Spud Date: 12/10/2008
Drilling Completed: 1/0/1900
Logged: 12/12/2008
A.P.I. #: 15019269380000
Ground Elevation: 851'
Depth Driller: 1611'
Depth Logger: 1612'
Surface Casing: 8.625 inches at 42'
Production Casing: 4.5 inches at 1388'
Cemented Job: Consolidated
Open Hole Logs: Dual Induction SFL/GR, Litho Density /
Neutron Logs

Formation	Tops	
	(below ground)	(subsea)
Quaternary	Surface (Alluvium)	851
Pawnee Limestone	970	-119
Excello Shale	1,096	-245
"V" Shale	1,148	-297
Mineral Coal	1,190	-339
Mississippian	1,397	-546

RECEIVED
KANSAS CORPORATION COMMISSION

APR 01 2009

CONSERVATION DIVISION
WICHITA, KS