

CONFIDENTIAL

ORIGINAL 2/23/11

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

Form ACO-1
September 1999
Form Must Be Typed

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:
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.
11/12/2008 11/13/2008 12/15/2008
Spud Date or Date Reached TD Completion Date or Recompletion Date

API No. 15 - 125-31803-00-00
County: Montgomery
E2 SW SW Sec. 2 Twp. 33 S. R. 16 East West
530 feet from S N (circle one) Line of Section
676 feet from E W (circle one) Line of Section
Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: McMillin Well #: 13-2
Field Name: Cherokee Basin Coal Area
Producing Formation: Cherokee Coals
Elevation: Ground: 751' Kelly Bushing:
Total Depth: 1120' Plug Back Total Depth: 1091'
Amount of Surface Pipe Set and Cemented at 72 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set Feet
If Alternate II completion, cement circulated from 1091
feet depth to Surface w/ 115 sx cmt.
Alt2 - Dlg - 4/10/09

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: 2/22/09
Subscribed and sworn to before me this 22 day of February, 2009.
Notary Public: MacLaughlin Darlene
Date Commission Expires: 1-4-2013

KCC Office Use ONLY
Letter of Confidentiality Attached
If Denied, Yes Date:
Wireline Log Received
Geologist Report Received
RECEIVED
KANSAS CORPORATION COMMISSION
FEB 24 2009
MacLAUGHLIN-DARLENE
Notary Public - State of Kansas
My Appt. Expires 1-4-2013

Operator Name: Layne Energy Operating, LLC Lease Name: McMillin Well #: 13-2  
 Sec. 2 Twp. 33 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  Yes  No  
 (Attach Additional Sheets)  
 Samples Sent to Geological Survey  Yes  No  
 Cores Taken  Yes  No  
 Electric Log Run  Yes  No  
 (Submit Copy)

List All E. Logs Run:

Compensated Density Neutron  
 Dual Induction

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Name	Top	Datum
Pawnee Lime	434 GL	317
Excello Shale	597 GL	154
V-Shale	646 GL	105
Mineral Coal	694 GL	57
Mississippian	1031 GL	-280

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	72'	Class A	100	Type 1 cement
Casing	6.75"	4.5"	10.5	1091'	Thick Set	115	50/50 posmix w/2% gel

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		Acid, Fracture, Shot, Cement Squeeze Record		Depth
	Specify Footage of Each Interval Perforated		(Amount and Kind of Material Used)		
See Attached Page					

TUBING RECORD	Size	Set At	Packer At	Liner Run
	2-3/8"	1050'		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Date of First, Resumerd Production, SWD or Enhr. 12/29/2008 Producing Method  Flowing  Pumping  Gas Lift  Other (Explain)

Estimated Production Per 24 Hours	Oil Bbbs.	Gas Mcf	Water Bbbs.	Gas-Oil Ratio	Gravity
	0	<1	0		

Disposition of Gas  Vented  Sold  Used on Lease (If vented, Submit ACO-18.)  
 METHOD OF COMPLETION  Open Hole  Perf.  Dually Comp.  Commingled  
 Production Interval  Other (Specify)

<b>Operator Name:</b>	Layne Energy Operating, LLC.		
<b>Lease Name:</b>	McMillin 13-2		
	Sec. 2 Twp. 33S Rng. 16E, Montgomery County		
<b>API:</b>	15-125-31803-00-00		
<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	Riverton 1018' - 1020'	3000 lbs 20/40 sand 192 bbls water 300 gals 15% HCl acid	1018' - 1020'
4	Rowe 959' - 960.5'	2400 lbs 20/40 sand 168 bbls water 300 gals 15% HCl acid	959' - 960.5'
4	Weir 769' - 770.5'	2400 lbs 20/40 sand 160 bbls water 300 gals 15% HCl acid	769' - 770.5'
4	Mineral 694' - 695.5'	2100 lbs 20/40 sand 425 bbls water 350 gals 15% HCl acid	694' - 695.5'
4	Croweburg 650' - 652.5' V-Shale 646.5' - 648' Bevier 624' - 625.5'	4300 lbs 20/40 sand 465 bbls water 680 gals 15% HCl acid	624' - 652.5'
4	Croweburg 650' - 652.5' (re-perf) V-Shale 646.5' - 648' (re-perf) Bevier 624' - 625.5' (re-perf)	900 lbs 20/40 sand 195 bbls water 280 gals 15% HCl acid	624' - 652.5'
4	Mulky 598.5' - 602.5'	6100 lbs 20/40 sand 535 bbls water 550 gals 15% HCl acid	598.5' - 602.5'
4	Summit 568' - 571'	3600 lbs 20/40 sand 186 bbls water 100 gals 15% HCl acid	568' - 571'

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RECORDED  
MONSIEUR

FEB 24 2009

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*Layne Energy, Inc.*

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

February 23, 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 # 15-125-31803-00-00  
McMillin 13-2

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,

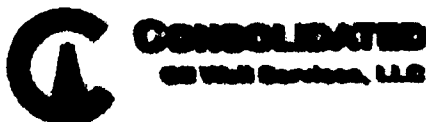
*MacLaughlin Darling*  
MacLaughlin Darling  
Engineering Technician

Enclosures

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WICHITA KS



ENTERED

TICKET NUMBER 20414  
 LOCATION Florida  
 FOREMAN Troy Strickler

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
11-14-08	4758	McMillen 13-2				MO
CUSTOMER Layne Energy			TRUCK #	DRIVER	TRUCK #	DRIVER
MAILING ADDRESS P.O. Box 160			520	Cliff		
CITY Sycamore			479	John		
STATE Ks		ZIP CODE				

JOB TYPE 4s HOLE SIZE 6 1/4 HOLE DEPTH 1120' CASING SIZE & WEIGHT 9 1/2" 10.5"  
 CASING DEPTH 1091' DRILL PIPE \_\_\_\_\_ TUBING \_\_\_\_\_ OTHER \_\_\_\_\_  
 SLURRY WEIGHT 13.4\* SLURRY VOL 39 @ WATER gal/sk 8 CEMENT LEFT in CASING 0'  
 DISPLACEMENT 17.3 @ DISPLACEMENT PSI 400 MIX PSI 900 Bump Ply RATE \_\_\_\_\_

REMARKS: Safety Meeting: Rig up to 4 1/2" casing. Break Circulation w/ 40 @ water.  
 Pump 10sk Gel - Flush w/ Hulls. 2 @ water spacer. Mixed 115sk Thick Set Cement  
 w/ 8" Kol-Seal, 1/2" Phenoseal, 1/2% CFL-110, + 1/4% CAF-38 @ 13.4\* gel wash out  
 Pump + lines. Release Pkg. Displace w/ 17.3 @ water. Final pumping pressure  
 400 PSI Bump Ply to 900 PSI. Wait 2mins. Release Pressure. Flood Well.  
 Good Cement to surface = 6 @ slurry to pit.  
 Job Complete

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
		KCC FEB 23 2009		
1126A	115sk	Thick Set Cement	17.00	1955.00
1110A	920"	Kol-Seal 8"/sk	.42	387.60
1107A	15"	Phenoseal 1/2"/sk	1.15	17.25
1135	55"	CFL-110 1/2%	7.50	412.50
1146	28"	CAF38 1/4%	7.70	215.60
1118A	500N	Gel - Flush	.17	85.00
1105	50"	Hulls	.37	18.50
5407		Tan-mileage	MAE	215.00
4404	1	4 1/2" Top Rubber Ply	45.00	45.00
		Thank U!	Sub Total	4522.25
			SALES TAX	166.25
			ESTIMATED TOTAL	4688.50

Rev'n 3737

2041451

AUTHORIZATION Called by Jacob

TITLE Co Rep

DATE \_\_\_\_\_



**CONSOLIDATED**  
Oil Well Services, LLC

**ENTERED**

TICKET NUMBER 20392  
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	
11-12-08	4758	MCMILLEN 13-2				ME	
CUSTOMER <u>Layne Energy</u>			Theater DA19.				
MAILING ADDRESS <u>P.O. Box 160</u>							
CITY <u>St. Amore</u>		STATE <u>KS</u>	ZIP CODE	TRUCK #	DRIVER	TRUCK #	DRIVER
				<u>445</u>	<u>JUSTIN</u>		
				<u>439</u>	<u>CALIN</u>		

JOB TYPE SURFACE HOLE SIZE 11" HOLE DEPTH 72' CASING SIZE & WEIGHT 5.40  
CASING DEPTH 64' DRILL PIPE \_\_\_\_\_ TUBING \_\_\_\_\_ OTHER \_\_\_\_\_  
SLURRY WEIGHT 15\* SLURRY VOL 24 BBL WATER gal/sk 6.5 CEMENT LEFT IN CASING 15'  
DISPLACEMENT 3 BBL DISPLACEMENT PSI \_\_\_\_\_ MIX PSI \_\_\_\_\_ RATE \_\_\_\_\_

REMARKS: Safety Meeting! Rig up to 8 5/8 casing. Break circulation w/ 10 BBL fresh water. Wash down 8' 8 5/8 casing. Mixed 100 sks Class "A" Cement w/ 2% CACL2 2% GEL @ 15\*/gal yield 1.35. Displace w/ 3 BBL fresh water. Shut casing in. Good Cement Returns to Surface. Job Complete. Rig down.

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
54015	1	PUMP CHARGE	725.00	725.00
5406	<del>0</del>	MILEAGE 2 <sup>ND</sup> WELL OF 2	<del>0</del>	<del>0</del>
11045	100 SKS	CLASS "A" Cement	13.50	1350.00
1102	200 *	CACL2 2%	.75 *	150.00
1118 A	200 *	GEL 2%	.17 *	34.00
5407	4.7 Tons	Ton Mileage BULK TRUCK	M/G	315.00
			<b>Sub Total</b>	<b>2574.00</b>
			SALES TAX	81.30
			ESTIMATED TOTAL	2655.30

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MICHIGAN  
KS

Kevin 3737

THANK YOU  
5.3%  
201410

AUTHORIZATION Called By JACOB TITLE Layne Co. Rep. DATE \_\_\_\_\_

# GEOLOGIC REPORT

LAYNE ENERGY  
Mcmillin 13-2  
E2 SW SW, 530 FSL, 676 FEL  
Section 2-T33S-R16E  
Montgomery County, KS

Spud Date: 11/12/2008  
Drilling Completed: 1/0/1900  
Logged: 11/13/2008  
A.P.I. #: 15125318030000  
Ground Elevation: 751'  
Depth Driller: 1120'  
Depth Logger: 1120'  
Surface Casing: 8.625 inches at 72'  
Production Casing: 4.5 inches at 1091'  
Cemented Job: 0  
Open Hole Logs: Dual Induction SFL/GR, High Resolution  
Compensated Density/Neutron

Formation	Tops	
	(below ground)	(subsea)
Quaternary	Surface (Alluvium)	751
Pawnee Limestone	434	317
Excello Shale	597	154
"V" Shale	646	105
Mineral Coal	694	57
Mississippian	1,031	-280

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CONFIDENTIAL DIVISION  
MONTGOMERY, KS

# Daily Well Work Report

MCMILLIN 13-2  
11/12/2008

**Well Location:**  
MONTGOMERY KS  
33S-16E-2 E2 SW SW  
530FSL / 676FWL

**Cost Center** G01025800200  
**Lease Number** G010258  
**Property Code** KSDC33S16E0213  
**API Number** 15-125-31803

Spud Date	RDMO Date	First Compl	First Prod	EFM Install	CygnelID
11/12/2008	11/13/2008	12/15/2008	12/29/2008	12/29/2008	MCMILLIN_13_2

TD	PBTD	Sf Csg Depth	Pr Csg Depth	Tbg Size	Csg Size
1120	1091	72	1091		

<b>Reported By</b> KRD	<b>Rig Number</b>	<b>Date</b> 11/12/2008
<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, 72' DEEP, RIH W/ 3 JT 8 5/8" SURFACE CASING, SET @64' RU CONSOLIDATED TO CASING, BREAK CIRCULATION W/10 BBLs FRESH WATER. WASH DOWN 8' CASING.MIXED 100 SKS CLASS "A" CEMENT W/2%CACLZ, 2% GEL @15#/GAL, YIELD 1.35. DISPLACE W/3 BBLs FRESH WATER. GOOD CEMENT RETURNS TO SURFACE, SHUT WELL IN. MOL  
DWC:\$5,755

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