



KANSAS CORPORATION COMMISSION 1062077
OIL & GAS CONSERVATION DIVISION

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: P O Box 160
Address 2:
City: Sycamore State: KS Zip: 67363 +
Contact Person: Victor H. Dyal
Phone: (620) 627-2499
CONTRACTOR: License # 33606
Name: Thornton Air Rotary, LLC
Wellsite Geologist: N/A
Purchaser:

Designate Type of Completion:
 New Well Re-Entry Workover
 Oil WSW SWD SIOW
 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:
Well Name:
Original Comp. Date: Original Total Depth:
 Deepening Re-perf. Conv. to ENHR Conv. to SWD
 Conv. to GSW
 Plug Back: Plug Back Total Depth
 Commingled Permit #:
 Dual Completion Permit #:
 SWD Permit #:
 ENHR Permit #:
 GSW Permit #:
03/01/2011 03/03/2011 03/18/2011
Spud Date or Date Reached TD Completion Date or Recompletion Date

API No. 15 - 15-125-32051-00-00
Spot Description:
NE SW SW NE Sec. 5 Twp. 32 S. R. 14 East West
2284 Feet from North / South Line of Section
2269 Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Montgomery
Lease Name: Vaughn Well #: 7-5
Field Name:
Producing Formation: N/A
Elevation: Ground: 844 Kelly Bushing: 0
Total Depth: 1463 Plug Back Total Depth: 1456
Amount of Surface Pipe Set and Cemented at: 21 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set: Feet
If Alternate II completion, cement circulated from: 1456
feet depth to: 0 w/ 155 sx cmt.

Drilling Fluid Management Plan
(Data must be collected from the Reserve Pit)
Chloride content: 0 ppm Fluid volume: 0 bbls
Dewatering method used: Evaporated
Location of fluid disposal if hauled offsite:
Operator Name:
Lease Name: License #:
Quarter Sec. Twp. S. R. East West
County: Permit #:

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.

Submitted Electronically

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: Deanna Garrison Date: 09/01/2011



1062077

Operator Name: Layne Energy Operating, LLC Lease Name: Vaughn Well #: 7-5
 Sec. 5 Twp. 32 S. R. 14 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 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 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 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 type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample Name Top Datum See attached
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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	# Sacks Used	Type and Percent Additives
Surface	11	8.625	24	21	Type 1	4	
Production	6.75	4.5	10.5	1456	Thickset	155	

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 <i>(Amount and Kind of Material Used)</i>	Depth

TUBING RECORD:	Size:	Set At:	Packer At:	Liner Run: <input type="checkbox"/> Yes <input type="checkbox"/> No
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Date of First, Resumed Production, SWD or ENHR.	Producing Method: <input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other <i>(Explain)</i> _____			
Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio Gravity

DISPOSITION OF GAS: <input type="checkbox"/> Vented <input 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 type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <i>(Submit ACO-5)</i> <i>(Submit ACO-4)</i> <input type="checkbox"/> Other <i>(Specify)</i> _____	PRODUCTION INTERVAL: _____ _____
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Well Report

VAUGHN 7-5

API Number:

AFE Number: G01029900100

Project Area:

SYCAMORE
KS MONTGOMERY
32S - 14E - 5
2284FNL - 2269FEL

AFE Amount: \$0.00

Activity Date	Activity Description
3/1/2011	MIRU Thorton Drilling, drilled 11' hole, 21' deep, rih w/ 1 jt 8-5/8" surface casing. Mixed 4 sxs type 1 cement, dumped dn the back side. SDFN.
3/2/2011	Tih w/ 6-3/4 hammer bit and drill pipe, drilled out from under surface to 1212' TD, testing & pulling samples at zone of interest. PULL BACK TO 900'. SDFN
3/3/2011	RESUME DRILLING FROM 1212' TO TD OF 1463' TAKING SAMPLES FROM ZONES OF INTEREST RD DRILL RIG. MI OSAGE WIRE LINE PULLED OPEN HOLE LOGS FROM LOGGER DEPTH TO SURFACE. JOB COMPLETE RIG DOWN.
3/4/2011	MI PU, RIH w/ 34 JOINTS 4-1/2" CASING, RIG UP CONSOLIDATED, BREAK CIRCULATION WITH 35 BBL FRESH WTR WASHED DOWN 30' MIXED GEL AND PUMPED 55 BBL TO BRING TO SURFACE. HAD PRESSURE ISSUES PUMPED HOLE CLEAN PUMP 2 BAGS CAUSTIC PRE-FLUSH, 13 BBL DYE WTR. MIXED 155 SKS THICKSET CEMENT WITH # 8 KOL SEAL 1/8 PHENOSEAL 1/4% CFL 115 @ 13.4#/ GAL SHUT DOWN WASH OUT PUMP AND LINES. DISPLACE WITH 23 BBL FRESH WATER HAD GOOD RETURNS 49 BBL SLURRY 8BBL TO PIT PUMPING PRESS 700 BUMP PLUG 1500 JOB COMPLETE RIG DOWN 4-1/2 CASING 34JTS FROM WESTERN PBD 1456' TD 1463'
3/18/2011	MOL & RU Osage Wireline. Run GR-Ccl-Vcl Cement Bond log from 1453' to Surface. Bond looks good all depths. RDMOL Osage Wireline. Well SI waiting for completion.



CONSOLIDATED
Oil Well Services, LLC

ENTERED

TICKET NUMBER 30305
LOCATION Eureka, KS
FOREMAN Shannon Feck & Russ McCoy

PO Box 884, Chanute, KS 66720
820-431-9210 or 800-487-8676

FIELD TICKET & TREATMENT REPORT

CEMENT API # 15-125-32051

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
3-4-2011	4158	Vaughn 7-5	5	32	14	Montgomery
CUSTOMER Layne Energy			Safety meeting 5.F J.G. DG RM			
MAILING ADDRESS P.O. Box 160						
CITY Sycamore		STATE KS	ZIP CODE			

JOB TYPE	LongString	G	HOLE SIZE	7 7/8	HOLE DEPTH	1463'	CASING SIZE & WEIGHT	4 1/2' 10.50 #
CASING DEPTH	1456	DRILL PIPE		TUBING		OTHER		
SLURRY WEIGHT	13.4 #/gal	SLURRY VOL	49 BBL	WATER gal/shk		CEMENT LEFT in CASING	NONE	
DISPLACEMENT	23 BBL	DISPLACEMENT PSI		MIX PSI	100 psi	RATE	4 BBL/min	

REMARKS: Safety Meeting, Rig up to 4 1/2 casing, wash down 30ft, mix gel and Pumped 55 BBL to bring to surface, lot of cuttings in the hole, had some pressure issues, pumped hole clean. Ran 2 bags caustic soda, run 13 BBL Dye water, mix 155 SKS Thick Set with 8 # Kol-Seal 1/4 # Phenoseal 1/4 # CFL-115. Shut down wash out pump and lines. Displace with 23 BBL H2O, had good returns Plug held. Job Complete.

Final Pumping Pressure of 800# Thanks Shannon & Crew
Pumped plug to 1300#

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
1126 A	155 SKS	Thick Set Cement	17.00	2635.00
1110 A	1240 #	8 # Kol-Seal Per SK	.42	520.80
1107 A	19 #	1/4 # Phenoseal / SK	1.15	21.85
1135 A	30 #	1/4 # CFL-115	9.95	358.20
1118 B	500 #	Gal Flush	.20	100.00
1105	50 #	Hulls	.39	19.50
1103	100 #	Caustic Soda	1.45	145.00
5407	8.52	Ton-mileage	1.20	429.66
4156	1	4 1/2 Flapper type float shoe	175.00	175.00
4453	1	4 1/2 Latch down Plug	155.00	155.00
			Sub total	5631.01
			SALES TAX	260.24
			ESTIMATED TOTAL	5891.25

Rev'n 3737

AUTHORIZATION [Signature] TITLE [Signature] DATE 3-4-2011

I acknowledge that the payment terms, unless specifically amended in writing on the front of the form or in the customer's account records, at our office, and conditions of service on the back of this form are in effect for services identified on this form.

Air Drilling Specialist
Oil & Gas Wells

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

PO Box 449
Caney, KS 67333

Date Started	3/1/2011
Date Completed	3/3/2011

Well No.	Operator	Lease	A.P.I.#	County	State
7-5	Layne Energy Operating	Vaughn	15-125-32051-00-00	Montgomery	Kansas

1/4	1/4	1/4	Sec.	Twp.	Rge.
			5	32	14

Driller	Type/Well	Cement Used	Casing Used	Depth	Size of Hole
Billy	Gas	4	21.6 8 5/8	1463	6 3/4

Formation Record

0-13	DIRT	941-947		1307-1319	
13-126	LIME	936	WENT TO WATER	1215-1226	SAND
126-241	SHALE	941-947	SAND	1226-1307	SHALE
241-253	LMY SHALE	947-968	SANDY SHALE	1307-1319	RED SHALE
253-311	SHALE	968-975	SAND	1319-1360	SHALE
311-358	LMY SHALE	975-1005	SANDY SHALE	1360-1368	SAND
358-375	SANDY SHALE	1005-1032	LIME (OSWEGO)	1368-1369	COAL
375-410	SAND	1032-1042	BLK SHALE (SUMMIT)	1369-1410	SHALE
410-531	LIME	1037	GAS TEST-SLIGHT BLOW	1410-1435	MISS. CHATT (MISS.)
411	GAS TEST - NO GAS	1042-1057	LIME	1435-1463	GRAY LIME
531-609	SAND (DAMP)	1057-1066	BLK SHALE (EXCELLO)	1463	GAS TEST -SAME
609-628	LIME	1062	GAS TEST -SAME	1463	TD
628-636	SHALE	1066-1067	COAL (MULKEY)		
636-667	LIME	1067-1072	LIME		
667-673	BLACK SHALE	1072-1089	SHALE		
673-678	SHALE	1087	GAS TEST - SAME		
678-683	BLACK SHALE	1089-1090	COAL (BEVIER)		
683-700	SHALE	1090-1107	SHALE		
686	GAS TEST - NO GAS	1107-1109	LIME (V-LIME)		
700-702	BLACK SHALE	1109-1111	SHALE		
702-724	SHALE	1111-1112	COAL (CROWBERG)		
724-730	LIME	1112-1122	SHALE		
730-774	SANDY SHALE	1112	GAS TEST - SAME		
736	GAS TEST - NO GAS	1122-1157	SANDY SHALE		
774-784	LIME	1157-1158	COAL (MINERAL)		
784-791	SANDY SHALE	1158-1180	SHALE		
791-805	LIME	1180-1185	SAND		
805-906	SANDY SHALE	1185-1214	SANDY SHALE		
906-935	LIME (PAWNEE)	1212	GAS TEST-SLIGHT BLOW		
935-941	BLACK SHALE	1214-1215	COAL		