

CONFIDENTIAL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

RECEIVED ORIGINAL

JUL 28 2010

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

KCC WICHITA

7/26/10

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: _____

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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: _____
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 #: _____

4/26/2010	4/29/2010	5/27/2010
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 205-27836-00-00
Spot Description: _____
SW SW NE Sec. 36 Twp. 30 S. R. 14 East West
2,455 Feet from North / South Line of Section
2,145 Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Wilson
Lease Name: Gorton Well #: 7P-36
Field Name: Cherokee Basin Coal Area
Producing Formation: Cattleman Sands
Elevation: Ground: 903' Kelly Bushing: N/A
Total Depth: 1262' Plug Back Total Depth: 1243'
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: 1243
feet depth to: Surface w/ 135 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: 7/26/2010

KCC Office Use ONLY

- Letter of Confidentiality Received
Date: 7/26/10 - 7/26/12
- Confidential Release Date: _____
- Wireline Log Received
- Geologist Report Received
- UIC Distribution
- ALT I II III Approved by: NJ Date: 7/26/10

Operator Name: Layne Energy Operating, LLC Lease Name: Gorton Well #: 7P-36
 Sec. 36 Twp. 30 S. R. 14 East West County: Wilson

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;"> CONFIDENTIAL JUL 26 2010 KCC </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	16	Type 1 Cement
Production	6.75"	4.5"	10.5	1243'	Thick Set	135	

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 <i>(Amount and Kind of Material Used)</i>	Depth
	See Attached Page	<div style="font-weight: bold; font-size: 1.5em;">RECEIVED</div> <div style="font-weight: bold; font-size: 1.2em;">JUL 28 2010</div> <div style="font-weight: bold; font-size: 1.2em;">KCC WICHITA</div>	

TUBING RECORD:	Size: <u>2-3/8"</u>	Set At: <u>1185'</u>	Packer At:	Liner Run: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumed Production, SWD or ENHR. Shut In		Producing Method: <input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain) _____		
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 checked="" type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <i>(Submit ACO-5) (Submit ACO-4)</i> <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTERVAL: _____ _____
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Layne Energy Operating, LLC #33365



GORTON 7P-36

SW SW NE 36 - 30S - 14E WILSON COUNTY, KANSAS

15-205-27836-00-00

<i>Stage #</i>	<i>Perforation Record</i>	<i>Acid, Fracture, Shot, Cement Squeeze Record</i>
Stage 1 5/26/2010	<u>Cattleman Sand 1147' - 1158'</u>	306 Water (bbls)
Stage 1 5/26/2010		7000 Sand (12/20) Brown
Stage 1 5/26/2010		4000 Sand (20/40) (lbs)
Stage 1 5/26/2010		300 HCl (15%) (gal)

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Air Drilling Specialist
Oil & Gas Wells

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

PO Box 449
Caney, KS 67333

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Date Started	4/25/2010
Date Completed	4/27/2010

Well No.	Operator	Lease	A.P.I.#	County	State
7P-36	Layne Energy Operating	Gorton	15-205-27836	Wilson	Kansas

1/4	1/4	1/4	Sec.	Twp.	Rge.
			36	30	14E

Driller	Type/Well	Cement Used	Casing Used	Depth	Size of Hole
Sean	Oil	8	40" 8 5/8"	1262	6 3/4"

Formation Record

0-2	DIRT	770-780	SAND	1075-1076	COAL (CROWBERG)
2-5	CLAY	780-809	SHALE	1076-1090	SHALE
5-80	LIME	809-815	SANDY SHALE	1090-1116	SANDY SHALE
80-167	SHALE	815-828	SAND	1116-1118	COAL
167-220	LMY SHALE	828-852	SANDY SHALE	1118-1182	SHALE
220-229	SHALE	852-880	SHALE	1145-1165	CORE POINT
229-305	LIME	880-881	COAL (MULBERRY)	1182-1183	COAL
305-313	SANDY SHALE	881-887	SHALE	1183-1195	SHALE
313-400	SAND (WET)	887-907	LIME (PAWNEE)	1195-1205	SANDY SHALE
361	WENT TO WATER	907-910	SHALE	1205-1256	SAND
400-426	SHALE	910-912	LIME	1256-1262	SANDY SHALE
426-454	LIME	912-918	BLACK SHALE	1262	TD
454-462	SHALE	912	GAS TEST-1#, 1/4, MCF-8.95		
462-517	LIME	918-929	SHALE		
517-521	SHALE	929-942	SAND		
521-540	LIME	937	GAS TEST - SAME		
540-579	SAND	942-961	SANDY SHALE		
579-584	SANDY SHALE	961-984	LIME (OSWEGO)		
584-615	LIME	984-995	BLK SHALE (SUMMIT)		
615-649	SHALE	995-1005	LIME		RECEIVED
649-662	LIME	1005-1009	BLACK SHALE		JUL 28 2010
662-687	SHALE	1009-1010	COAL		
687-688	COAL	1010-1014	LIME		KCC WICHITA
688-708	SHALE	1012	GAS TEST-2 1/2#, 1/4, MCF-14.3		
708-729	LIME	1014-1056	SHALE		
711	GAS TEST - NO GAS	1056-1057	COAL (BEVEIR)		
729-746	SHALE	1057-1071	SHALE		
746-759	LIME	1062	GAS TEST - SAME		
759-763	SHALE	1071-1073	LIME (VERDIGRIS)		
763-770	LMY SHALE	1073-1075	SHALE		

Daily Well Work Report

GORTON 7P-36

4/26/2010

Well Location:

WILSON KS
30S-14E-36 SW SW NE
2455FNL / 2145FEL

Cost Center

Lease Number G010218
Property Code KSSY30S14E3607P
API Number 15-205-27836

Spud Date	RDMO Date	First Compl	First Prod	EFM Install	CygnnetID
4/26/2010	4/29/2010	5/27/2010			

TD	PBTD	Sf Csg Depth	Pr Csg Depth	Tbg Size	Csg Size
1262	1243	42	1243	0	0

Reported By JM	Rig Number	Date 4/26/2010
Taken By KRD		Down Time
Present Operation SET SURFACE		Contractor THORNTON DRILLING

Narrative

MIRU Thornton Drilling, drilled 11" hole 42' deep, RIH W/2 joint 8-5/8" surface casing. Mixed 16 sx type 1cement, dumped down the backside. SDFN.

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CONSOLIDATED
Oil Well Services, LLC

ENTERED

TICKET NUMBER 24324
LOCATION Eureka
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
4-29-10	4758	Gorton 7P-36				Wilson
CUSTOMER Layne Energy			CONFIDENTIAL JUL 26 2010 KCC			
MAILING ADDRESS P.O. Box 160						
CITY Sycamore	STATE K1	ZIP CODE				
TRUCK # DRIVER TRUCK # DRIVER						
			463	Shannon		
			479	Justin		

JOB TYPE L/S HOLE SIZE 6 3/4" HOLE DEPTH 1267' CASING SIZE & WEIGHT 4 1/2" 10.5"
 CASING DEPTH 1242' DRILL PIPE _____ TUBING _____ OTHER _____
 SLURRY WEIGHT 13.4" SLURRY VOL 4284 WATER gal/sk 8° CEMENT LEFT IN CASING 0'
 DISPLACEMENT 19.784 DISPLACEMENT PSI _____ MIX PSI _____ RATE _____

REMARKS: Safety Meeting! Rig up to 4 1/2" casing. Break Circulation w/ 250bl
Fresh Water. Pumped 10skt Gel w/ Hullr, 50bl Water spacer, 108bl Caustic
Soda Pre-Flush, 108bl Dye water. Mixed 135skt ThickSet Cement w/ 8"
Kol-Seal 18k, 1/8" Phenoseal, 1/2% CFL-110, + 1/2 CAF-38, @ 13.4#/gal.
Wash out Pump + lines. Release Plug. Displace w/ 19.784bl water. Final
Rampy Pressure 500PSI. Bump Plug to 1000PSI. wait 2min. Release
Pressure. Float Hold. Good Cement to surface - 78bl Slug to Pit

Job Complete

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
5401	1	PUMP CHARGE	900.00	900.00
5406	40	MILEAGE	3.55	142.00
1126A	135skt	ThickSet Cement	16.50	2227.50
1110A	1080#	8" Kol-Seal	.40	432.00
1107A	17#	1/8" Phenoseal	1.12	19.04
1135	68#	1/2% CFL-110	7.26	493.68
1146	34#	1/2 CAF-38	7.50	255.00
1118A	500#	Gel-Flush	.17#	85.00
1105	50#	Hullr	.38#	19.00
1103	100#	Caustic Soda	1.40#	140.00
5407A	7.43	Ton-mileage	1.20	356.64
4404	1	4 1/2" Top Rubber Plug	44.00	44.00
		Thanks	Sub Total	5113.86
			SALES TAX	196.93
			ESTIMATED TOTAL	5310.79

Ravin 3737

234001

AUTHORIZATION witnessed by Jacob TITLE _____ DATE _____