

RECEIVED ORIGINAL

JUL 27 2010

Form ACO-1
June 2009

Form Must Be Typed
Form must be Signed
All blanks must be Filled

CONFIDENTIAL

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

KCC WICHITA

7/26/12

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: _____

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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 #: _____

4/7/2010 4/13/2010 5/6/2010
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 125-31953-00-00
Spot Description: _____
NE SW NE NE Sec. 3 Twp. 31 S. R. 14 East West
833 Feet from North / South Line of Section
817 Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Montgomery
Lease Name: Zook Well #: 1L-3
Field Name: Unnamed
Producing Formation: Cattleman Sands
Elevation: Ground: 920 Kelly Bushing: N/A
Total Depth: 1280 Plug Back Total Depth: 1266
Amount of Surface Pipe Set and Cemented at: 21 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set: N/A Feet
If Alternate II completion, cement circulated from: 1266
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: July 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: MS Date: 7-29-10

Operator Name: Layne Energy Operating, LLC Lease Name: Zook Well #: 1L-3
 Sec. 3 Twp. 31 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 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-size: 2em; font-weight: bold;">KCC</div> <div style="text-align: center; font-size: 1.5em; font-weight: bold;">JUL 26 2010</div> <div style="text-align: center; font-size: 1.2em; font-weight: bold;">CONFIDENTIAL</div> <div style="text-align: right; font-size: 1.5em; font-weight: bold;">RECEIVED JUL 27 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	21'	Class A	8	Type 1 Cement
Production	6.75"	4.5"	10.5	1266'	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		

TUBING RECORD	Size: <u>2-3/8"</u>	Set At: <u>1221'</u>	Packer At: _____	Liner Run: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumed Production, SWD or ENHR. <u>5/7/2010</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>5</u>	Gas Mcf <u>20</u>	Water Bbls. <u>0</u>	Gas-Oil Ratio _____
Gravity _____				

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> <i>(Submit ACO-4)</i> <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTERVAL: _____ _____
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Layne Energy Operating, LLC #33365



ZOOK 1L-3

NE SW NE NE 3 - 31S - 14E MONTGOMERY COUNTY, KANSAS

15-125-31953-00-00

<i>Stage #</i>	<i>Perforation Record</i>	<i>Acid, Fracture, Shot, Cement Squeeze Record</i>
Stage 1 5/5/2010	<u>Cattleman Sand 1183' - 1189'</u>	210 Water (bbls)
Stage 1 5/5/2010		300 HCl (15%) (gal)
Stage 1 5/5/2010		2500 Sand (12/20) Brown
Stage 1 5/5/2010		2500 Sand (20/40) (lbs)

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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

KCC

JUL 26 2010

Date Started	4/7/2010
Date Completed	4/13/2010

CONFIDENTIAL
State

Well No.	Operator	Lease	A.P.I.#	County	State
1L-3	Layne Energy Operating	Zook	125 31953	Montgomery	Kansas

1/4	1/4	1/4	Sec.	Twp.	Rge.
			3	31	14

Driller	Type/Well	Cement Used	Casing Used	Depth	Size of Hole
Billy	OIL		20" 5/8"	1280	6 3/4"

Formation Record

0-3	DIRT	766-781	SHALE	1123-1125	COAL
3-76	LIME	781-801	SANDY SHALE	1125-1167	SHALE
76-200	SHALE	801-822	SHALE	1137	GAS TEST 5 1/2", 1/4 MCF-21.8
200-212	LIME	822-832	SANDY SHALE	1167-1168	COAL
212-290	SHALE	832-877	SHALE	1168-1173	SHALE
290-296	LIME	877-878	COAL	1173	CORE POINT
296-301	LMY SHALE	878-879	SHALE	1173-1193	CORE-OIL SHOW, SAND
301-397	SAND (WET)	879-908	LIME (PAWNEE)	1193	GAS TEST 1", 1/4 MCF-8.95
361	WENT TO WATER	908-910	BLACK SHALE	1193-1194	COAL
397-399	LIME	910-914	LIME	1194-1218	SHALE
399-429	SANDY SHALE	914-915	BLK SHALE COAL (LEXINGTON)	1218-1227	SAND
429-456	LIME	915-929	SHALE	1227-1254	SHALE
456-467	SHALE	929-940	SANDY SHALE	1254-1260	SAND
467-531	LIME	940-962	SHALE	1260-1280	SANDY SHALE
531-533	BLACK SHALE	962-987	LIME (OSWEGO)	1280	TD
533-543	SHALE	987-997	BLK SHALE (SUMMIT)		
543-558	LIME	997-1008	LIME		
558-559	SHALE	1008-1012	BLK SHALE (MULKEY)		
559-560	COAL	1012-1013	COAL		
560-591	SAND	1013-1022	LIME		
561	GAS TEST - NO GAS	1022-1060	SHALE		
591-655	LIME	1060-1061	COAL (IRONPOST)		
636	GAS TEST - NO GAS	1061-1075	SHALE		
655-664	BLACK SHALE	1075-1077	LIME		
664-667	LIME	1077-1078	SHALE		
667-707	SHALE	1078-1079	COAL (CROWBERG)		
707-729	LIME	1079-1090	SHALE		
729-749	SHALE	1090-1097	SANDY SHALE		
749-766	LIME	1097-1114	SHALE		
761	GAS TEST - NO GAS	1114-1123	SAND		

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Daily Well Work Report

ZOOK 1L-3
4/7/2010

Well Location:
MONTGOMERY KS
31S-14E-3 NE SW NE NE
833FNL / 817FEL

Cost Center G01020800500
Lease Number G010208
Property Code KSSY31S14E0301L
API Number 15-125-31953

Spud Date	RDMO Date	First Compl	First Prod	EFM Install	CygnetsID
4/7/2010	4/13/2010	5/6/2010	5/7/2010		

TD	PBTD	Sf Csg Depth	Pr Csg Depth	Tbg Size	Csg Size
1280	1266	21	1266	0	0

Reported By KRD	Rig Number	Date 4/7/2010
Taken By KRD		Down Time
Present Operation SET SURFACE		Contractor THORNTON

Narrative

MIRU Thornton, drilled 11" hole 21' deep, RIH W/1 joint 8-5/8" surface casing. Mixed 8 sx type 1 cement, dumped down the backside. SDFN.

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CONSOLIDATED
Oil Well Services, LLC

ENTERED

TICKET NUMBER 24314

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
4-14-10	4758	Zook 1L-3				MG
CUSTOMER <u>Layne Energy</u>			TRUCK #	DRIVER	TRUCK #	DRIVER
MAILING ADDRESS <u>P.O. Box 160</u>			<u>520</u>	<u>Cliff</u>		<u>JUL 27 2010</u>
CITY <u>Sycamore</u>			<u>515</u>	<u>Chris</u>		CONFIDENTIAL
STATE <u>Ks</u>						
ZIP CODE						

JOB TYPE L/S HOLE SIZE 6 3/4" HOLE DEPTH 1280' CASING SIZE & WEIGHT 4 1/2"
 CASING DEPTH 1266' DRILL PIPE _____ TUBING _____ OTHER _____
 SLURRY WEIGHT 13.4" SLURRY VOL 40.201 WATER gal/sk 8" CEMENT LEFT in CASING 0'
 DISPLACEMENT 20.84 DISPLACEMENT PSI 500 MIX PSI 1100 @ p/h RATE _____

REMARKS: Safety meeting: Rig up to 4 1/2" Carry Break Circulation w/ 12500 water.
Pump 10sk Gel-Flush w/ Hulls, 500l Water spacer, 1000l Carbitic Soda
Pre-Flush, 11 00l Dye water, Mixed 13500 Thickset Cement w/ 8" Kol-Seal
@ 1/2" Phenoxal, 1/2% CFL-110, 1/4% CAF-38 @ 13.4" gal work out Pump + lines.
Release Plug. Displace w/ 20.1 00l Water. Final Pump Pressure 500 PSI.
Run P/h to 1100 PSI, wait 2mins. Release Pressure. Float Held.
Good Cement to surface = 8 00l Slurry to p/d.
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	13500	Thickset Cement	16.50	2227.50
1110A	1080*	8" Kol-Seal sk	.40	432.00
1107A	17*	1/2" phenoxal /sk	1.12	19.04
1135	68*	1/2% CFL-110	7.26	493.68
1146	34*	1/2% CAF-38	7.50	255.00
KGC WICHITA				
1118A	500*	Gel-Flush	.17	85.00
1105	50*	Hulls	.38	19.00
1103	100*	Carbitic Soda	1.40	140.00
5407A	7.43	Ton-mileage	1.20	891.60
4404	1	4 1/2" Top Rubber P/h	44.00	44.00
			Thru	5113.86
			Ty	SALES TAX 196.93
			ESTIMATED TOTAL	5310.19

Rev'n 3737

AUTHORIZATION Troy Strickler by Josh

TITLE Carry

DATE _____