MORNING DRILLING REPORT				Fax to: Jim Waechter/Chris Gottschalk							
Sterling Drilling Company, Rig #4		Wellsite Geologist:		# of Pages		1	Fax# E-Mail out				
Box 1006, Pratt, Kansas 67124-1006		Sean Deenihan		WELL NAME		C & H Unit #1-25					
Office Phone (620) 672-9508, Fax 672-9509				LOCATION			SW NW NE				
Rig #4 Phone Numbers (Dog House)		IN USE	Toolpusher	SEC	25	TWP	29s	RNG	14w	CO	Pratt
(620) 388-4192 Rig Cellular			Lanny	Captiva Energy, LLC							
(620) 388-5995 Geologist Cellular		Yes	Saloga	445 Union Blvd, Ste #208							
(620) 388-4193	Tool Pusher Cellular	Yes	Home Phone	Lakev	ood, (CO 80	228				
(620) 672-9508 Fax 9509	Sterling Shop Phone/Fax	Yes	(620)672-6062	ELEVA	TION	G.L.	1930	K.B.	1939	API#	15-151-22362-0000

Central Kansas Survey & Mapping staked location November 16, 2010. Langfeld Dirt. Built location Nov 24th. KCC inspected location on 24th. Hit sand & gravel at 3 feet from GL. Required to use steel working pit and to put reserve pit on top of hill about 200' away. Will use Monster pump to move fluids to the reserve pit. On 11/29 Kelly's Water Well drilled a 178' deep water well. Water level at 80', set pump at 140'. Sterling made spud call to KCC on 11/29/10 (Jerry Stapleton). Curts Trash Service providing trash trailer & portable toilets. Sunrise will deliver 300' of 13-3/8" casing. Must haul off free fluids after Salt

Day	0	Date:	11/29/10	Monday			
Moving off R	ice Sumner C	County location at 7	am. Long mo	ove.			
Day	0	Date:	<u>11/30/10</u>	Tuesday			
Rig maintena	ance.						
Day	1	Date:	<u>12/01/10</u>	Wednesday			
Getting read	y to drill ratho	le at 7 am. Spent	Tuesday remo	ving 27" rotary ta	able, installing 17-1/2" rotary ta	ble and replacing torgue converter on drawwo	orks.
Day	2	Date:	12/02/10	Thursday	Spud in at 9:45 am	Survey at 315' = 3/4 degree	
WOC at 260	' at 7:∩∩ am	Drilled 260' in 24 h	noure				

Ran 2.00 hours, down 22.00 hours (8.00Move/Rig up, 1.00 Set rathole, 1.25 Jet/Connections, .75 Circulate/Short trip to bit, .75 CCH/Trip out, 3.00 Run/Cement 13-3/8" casing, 6.75 WOC).

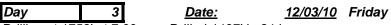
Mud Properties: Spud Mud -Vis 48, Wt. 9.8, LCM 6#; Wt. on Bit 3-12,000, 140 RPM, Pump Pressure 500, SPM 60.

Surface Bit: 17-1/2" RT (JZ GJT-1), SN#E13143, (4-15's), made 315' in 5.75 hours. (55 FPH).

Surface Casing:

Spud at 9:45 am on 12/01/10. Drilled 17-1/2" hole to 315'. Ran 7 joints of new 48#, 13-3/8" casing. Tallied 302.99', set at 314' KB. Cemented with 400 sks 60/40 Poz, 2% Gel, 3% CC & 1/4# CF. Cement did circulate. Plug down at 12:00 am on 12/02/10 by Quality Cementing, ticket # 5050.

Welded straps on bottom 3 joints, welded next 3 collars.



Drilling at 1752' at 7:00 am. Drilled 1437' in 24 hours.

Ran 15.25 hours, down 8.75 hours (3.00 WOC, .25 Drill plug, .50 Rig check, 4.00 Jet/Connections, 1.00 Repairs).

Mud Properties: Water; Wt. 9.5, Vis 28; WOB 10-24,000, RPM 90-110, Pump PSI 875, SPM 60.

Bit No. 1: New 7-7/8" **JZ** QX20J, **SNH07921**, (3-15's), in at 315', drilled 1,437' in 15.25 hours 94 < Last 24-ROP- 7-7/8" 94

Day 12/04/10 Saturday 4 Date:

Cum Mud \$ \$1.989

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Rig #4 Phone Numbers (Dog	House) 	IN USE	Toolpusher	SEC		TWP	29s	RNG	14w	СО	Pratt		
(620) 388-4192	Rig Cellular	Yes	Lanny		Captiva Energy, LLC								
(620) 388-5995	Geologist Cellular	Yes	Saloga	445 Union Blvd, Ste #208									
(620) 388-4193	Tool Pusher Cellular	Yes	Home Phone	Lake	Lakewood, CO 80228								
(620) 672-9508 Fax 9509	Sterling Shop Phone/Fax	Yes	(620)672-6062	ELEV	ATION	G.L.	1930	K.B.	1939	API#	15-151-22362-0000		
Drilling at 2760' at 7:00 am. D	rilled 1,008' in 24 hours.												
Ran 19.25 hours, down 4.75 h													
Mud Properties: Wt. 9.7, Vis.													
Bit No. 1: New 7-7/8" JZ QX20)J, SNH07921, (3-15's), in a	t 315', d	rilled 2,445' in 3	4.50 hou	rs 5:	2 < Last	24- RO F	P - 7-7/8	71		Cum Mud \$	\$3,292	
Day 5	<u>Date:</u> <u>12/05/10</u>	Sunda	y Displac	ced at 3	343'	<u> </u>				_			
Drilling at 3550' at 7:00 am. D	rilled 790' in 24 hours.												
Ran 19.00 hours, down 5.00 h													
Mud Properties: Chemical Mu													
Bit No. 1: New 7-7/8" JZ QX20)J, <u>SNH07921, (</u> 3-15's), in a	t 315', d	rilled 3,235' in 5	3.5 4	2 < Las	t 24- RO I	P - 7-7/8	60			Cum Mud \$	\$5,872	
Day 6	<u>Date:</u> <u>12/06/10</u>	Monda	ay						_				
Drilling at 4107' at 7:00 am. D	rilled 557' in 24 hours.												
Ran 18.50 hours, down 5.50 h	ours (.75 Rig check, 2.25 Je	et/Conn,	.50 Repairs, 1.0	00 CFS a	it 4004',	1.00 CF	S at 41	07').					
Mud Properties: Chemical Mud: Wt. 9.4, Vis. 50, PV/YP 12/12, WL 9.2, pH 10.0, Chl. 2,000, LCM 0#; WOB 35,000, 70-90 RPM, Pump PSI 1000, SPM 60.													
Bit No. 1: New 7-7/8" JZ QX20J, in at 315', drilled 3,792' in 72.00 hours. 30 < Last 24-ROP- 7-7/8" 53													
Day 7	Date: 12/07/10	Tuesd	ay DST #1	(4070'	4134').	Survey	at 413	4' = 1/2	degree.				
CFS at 4190' at 7:00 am. Drill			•	•	,	•			•				
Ran 3.25 hours, down 20.75 h		& Conn	, 1.25 CFS at 41	134', 1.5	S-trip	15 stds,	1.50 CT	CH, 3.5	50 DST #	1, 11.7	5 Tripping, .25 CF	S at 4190')	
Mud Properties: Chemical/Pa	•												
Bit No. 1: New 7-7/8" JZ QX20						t 24- RO I				•	Cum Mud \$	\$9,015	
				L	<u></u>						·		
Day 8	Date: 12/08/10	Wedne	esday	High S	erra Ha	auled off	320 bb	l free fi	luids froi	n rese	erve pit 12/7		
Drilling at 4560' at 7:00 am. D	rilled 370' in 24 hours.		•	•							•		
Ran 17.25 hours, down 6.75 h		Ria ch	eck. 1.25 Jet/Co	nn. 1.25	CFS at	4469':	500 CFS	S at 447	'8'. 1.25 (CFS at	4490'. 1.25 CFS a	1 4529').	
Mud Properties: Chemical Mu	•	_											
Bit No. 1: New 7-7/8" JZ QX20						t 24- RO I			,		Cum Mud \$	\$9,616	
Day 9	Date: 12/09/10	Thurs	dav	RTD =	4655'. S	Survey a	at 4655'	= 3/4 d	_ legree. L	TD = 4	4659'.		
LDDP and plugging at 4655' a			•						J				
Ran 6.00 hours, down 18.00 h			555', 1.00 Short t	trip. 1.75	СТСН.	3.00 Lo	aaina. 1	.00 Pull	BOP. 1.3	25 WC	O. 5.25 Tripping. 3	.25 LDDP	
Mud Properties: Chemical Mu	•			•									
Bit No. 1: New 7-7/8" JZ QX20						t 24- RO I]	p	Cum Mud \$	\$9,616	
Day 10	Date: 12/10/10	Friday	•		_			1	_1		L		
Moving off location at 7:00 am		•											

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Ran 0.00 hours, down 24.00 hours (1.75 LDDP, 1.50 Plugging, 2.50 Jet & clean steel pits, 5.25 Tear down, 13.00 Drywatch).

Plugging Data:

Drilled 7-7/8" hole to 4655'. Heavy mud in hole. First plug (Arbuckle) at 4594' w/ 50 sks, 2nd plug at 750 w/50sks, 3rd plug at 330' w/ 75 sks, top plug at 60' w/ 40 sks. Plugged RH w/ 30 sks, MH w/20 sks. Cement is 60/40 POZ, 4% Gel. Plugging complete at 10:15 am on 12/09/10. Quality Cementing ticket #5112. Received plugging orders on 12/09/100 (Jerry Stapleton).