

KCC
JUL 28 2004
CONFIDENTIAL

WELL REPORT

*McCoy Petroleum Corporation
Clawson 'A' #2-1
20' N & 20' W of NE SW SW
Section 1-31S-32W
Seward County, Kansas
API #15-175-21,926*

MPC #809 (04-08)

Spud Date: 03-26-04

Lette South Prospect

Contractor: Val Energy, Inc., Rig #1

Geologist: Tim Lauer

Elevations: 2833' GL 2843' KB (All measurements from KB)

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03-22-04 Begin building location. Will drill at alternate location due to close proximity of original spot to pipeline. Anticipate move in and spud on 3/25 or 3/26.

03-26-04 Move in rig today. Sent drawworks in for repair.

04-01-04 Drawworks have been repaired and will be delivered to well site today. Will rig up and spud tomorrow morning.

04-02-04 Rigging up. Surface pipe on location. Spud well at 11:00 PM. . Drilling 12 1/4" hole.

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04-03-04 TD 755'. Drilling ahead. (Drilling 5.5 hrs, Rig up drawworks 16hrs, Service 2.5 hrs) Mud Properties: Wt. 9.1, Vis. 34, LCM 4#, Wt. on Bit 5,000, 120 RPM, Pump Pressure 800, 64 SPM. Bit No. 1: 12 1/4" JZ HAT4176, in at 0', made 755' in 5.5 hrs.

04-04-04 TD 1822'. Running 8 5/8" casing. Deviation 1/2° @ 1822'. Ran 42 joints of new Maverick 8 5/8" 23# M-50 casing. Set casing at 1816' KB. RU Acid Services and cemented with 480 sacks A-Con 11.6 ppg with 3% CC and 1/4#/sk cellflake followed by 100 sacks Common 15.6 ppg with 2% CC and 1/4#/sk cellflake. Good circulation throughout job. Plug down at 9:55 AM. Plug held. Cement circulated. Welded straps on bottom 3 jts and welded collars on remainder. (Drilled 1067' in 13 hrs, Trip 2.75 hrs, Circulate 0.25 hrs, Service 4 hrs, Run csg 3 hrs) Mud Properties: Wt. 9.1, Vis. 34, LCM 2#, Wt. on Bit 10,000, 120 RPM, Pump Pressure 850, 64 SPM. Bit No. 1: 12 1/4" JZ HAT4176, in at 0', made 1822' in 18.5 hrs.

04-05-04 TD 1940'. Drilling ahead. (Drilled 118' in 2.25 hrs, Trip 0.75 hrs, Circulate 0.25 hrs, Repairs 4.25 hrs, Run csg 1 hr, Cmtg 1.5 hrs, WOC 12 hrs, Drlg plug & cmt 1 hr) Mud Properties: Wt. 8.6, Vis. 26, LCM 0#, Wt. on Bit 38,000, 90 RPM, Pump Pressure 950, 64 SPM. Bit No. 2: 7 7/8" JZ HA5279Q, in at 1822', made 118' in 2.25 hrs.

04-06-04 TD 2855'. Drilling ahead. (Drilled 915' in 19.75 hrs, Service 3.75 hrs, Repairs 0.50 hr) Mud Properties: Wt. 9.0, Vis. 34, LCM 3#, Wt. on Bit 39,000, 85 RPM, Pump Pressure 1000, 64 SPM. Bit No. 2: 7 7/8" JZ HA5279Q, in at 1822', made 1033' in 21.75 hrs.

04-07-04 TD 3495'. Drilling ahead. (Drilled 640' in 21 hrs, Service 3 hrs) Mud Properties: Wt. 9.2, Vis. 32, LCM 3#, Wt. on Bit 40,000, 85 RPM, Pump Pressure 1000, 60 SPM. Bit No. 2: 7 7/8" JZ HA5279Q, in at 1822', made 1673' in 42.75 hrs.

04-08-04 TD 4225'. Circulating the Lansing 'B'. (Drilled 730' in 20.75 hrs, Service 3.25 hrs) Mud Properties: Wt. 9.2, Vis. 35, LCM 3#, Wt. on Bit 40,000, 85 RPM, Pump Pressure 1100, 60 SPM. Bit No. 2: 7 7/8" JZ HA5279Q, in at 1822', made 2403' in 63.50 hrs.

Lansing 'B' Upper Porosity 4242 – 4250': Ls, crm to buff, w/scat tan stain, vry fn to fn xtal, 50% dns w/no por no show, 50% mealy texture w/ pr to occ intrxtal por, scat fr pp por, fr vug por, no free oil, few gas bubbles, scat stain & patchy to sat fluor, faint odor, fair cut, 25 unit gas kick.

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DST #1 4235-4252' (Lansing 'B')
Open 30", SI 30", Open 30", SI 30"
1st OP: Weak surface blow for 5 min. on 1st open period.
2nd OP: Weak surface blow for 1 min. on 2nd open period.
Recovered 82' of watery mud. (60% mud, 40% water)
FP 17-40# 46-49#
ISIP 1110# FSIP 1075#

04-09-04 TD 4300'. Drilling ahead. (Drilled 75' in 3.5 hrs, Trip 9.0 hrs, Circ 5.5 hrs, Service 0.25 hrs, DST 5.75 hrs) Mud Properties: Wt. 9.0, Vis. 56, WL 10.4, LCM 5#, Wt. on Bit 40,000, 85 RPM, Pump Pressure 1100, 60 SPM. Bit No. 2: 7 7/8" JZ HA5279Q, in at 1822', made 2478' in 67 hrs. Pipe strap was 0.55 long to board. Deviation Survey was 1 1/2 degree at 4252'.

Lansing 'B' Lower Porosity 4257 – 4263': Ls, crm-buff, w/light ptchy stain, vry f-f xtal, foss, 2/3 dense w/ no show, 1/3 w/pr-fr intrxtal por and fr-gd foss por and pp por, 5% speckled bright fluor, scat pieces w/ sli-fr SFO, sli show gas, 5% w/ptchy to sat bright fluor and brn stn, mostly pr cut w/o break fr cut when broken, no odor. 50 unit gas kick. **Elected to drill ahead.**

No shows in Lansing 'C'.

04-10-04 TD 4500'. TOOH with DST #2. (Drilled 200' in 7 hrs, Trip 8.75 hrs, Circ 2.75 hrs, Service 0.5 hrs, Survey 0.25 hrs, DST 4.75 hrs) Mud Properties: Wt. 9.1, Vis. 39, WL 13.6, LCM 3#, Wt. on Bit 40,000, 85 RPM, Pump Pressure 1100, 60 SPM. Bit No. 2: 7 7/8" JZ HA5279Q, in at 1822', made 2678' in 74 hrs. Deviation was 3/4° at 4500'.

Lansing 'G' 4484 – 4490': Ls, buff to crm w/brn stn, vf-md xtal, foss, 1/4 dense, 3/4 w/gd-ex mold por and fr-gd intrxtal por, 10% w/ FSFO, FSG, few pieces w/gd SFO, 20% w/fluor & stn, mostly sat, gd flash cut w/o break, gd odor. 250 unit gas kick

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DST #2 4460-4500' (Lansing 'G')
Open 30", SI 60", Open 60", SI 90"
1st OP: Weak built to Strong blow, B.O.B. in 20".
2nd OP: B.O.B. immed. No GTS
403' GIP
Recovered 31' of GCM. (15% gas, 85% mud, trace of oil)
124' of GCM (30% gas, 70% mud, trace of oil)
FP 29-43# 39-66#
ISIP 1061# FSIP 1124#

04-11-04 TD 4655'. Testing with DST #3. (Drilled 155' in 6.75 hrs, Trip 10.0 hrs, Circ 1.5 hrs, Service 0.75 hrs, DST 5 hrs) Mud Properties: Wt. 9.1, Vis. 48, WL 12.8, LCM 3#, Wt. on Bit 40,000, 85 RPM, Pump Pressure 1100, 58 SPM. Bit No. 2: 7 7/8" JZ HA5279Q, in at 1822', made 2833' in 80.75 hrs.

Swope porosity 4645 – 4655': Ls, crm-wht-buff w/brn stn, vry fn-fn xtal, vry foss, overall fr-gd foss cast, oom & intr ool por, suc in prt, scat pieces w/SSFO, SSG, rainbow show of oil, fr-gd rich odor, 20% w/ptchy to sat brite fluor & brn stn, gd cut, some barren por. 600+ unit gas kick

DST #3 4630-4655' (Swope)
Open 30", SI 60", Open 60", SI 90"
1st Open: Strong blow, B.O.B. in 10 sec. GTS/5"
Gauge 444 MCF in 10"
475 MCF in 20"
490 MCF in 30"
2nd Open: Strong blow, B.O.B. immediately
Gauge 490 MCF in 10"
506 MCF in 20 & 30"
522 MCF in 40 & 50"
537 MCF in 60"

Recovered: 124' of gassy OCM. (10% gas, 10% oil, 80% mud)
124' of slightly gassy OCM (5% gas, 5% oil, 90% mud)
62' of slightly GCMW (5% gas, trace oil, 20% mud, 75% water)
FP 77-114# 104-154#
ISIP 1252# FSIP 1252#

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Hertha porosity 4753 – 4765': Ls, tn-brn, f xtal, foss & ool, overall fr-gd oom & fr intrxtal por, scat pieces w/ SSFO, SSG, scat pieces w/med-brite fluor & lite stn, abdnt mineral fluor, mostly pr cut when crushed, faint odor. 120 unit gas kick.

04-12-04 TD 4765'. On bottom with DST #4, got through first flow period and pipe stuck in hole. Plan to displace mud and spot 30 bbls of oil. (Drilled 110' in 3 hrs, Trip 10.75 hrs, Circ 4.25 hrs, Service 0.5 hrs, DST 2.75 hrs, stuck 2.75 hrs) Mud Properties: Wt. 9.1, Vis. 44, WL 12.8, LCM 3#, Wt. on Bit 40,000, 85 RPM, Pump Pressure 1100, 60 SPM. Bit No. 3: 7 7/8" JZ HA527Y, in at 4655', made 110' in 3 hrs.

DST #4 4730-4765' (Hertha)

Open 30". Strong Blow, B.O.B. in 4". Attempted to close tool. Could not rotate pipe, stuck in hole. Tool open additional 11 hrs while trying to pull free. Gas to surface during open period, low volume, not gauged. Dropped bar and opened circulating sub. Displaced fluid in drill pipe and circulated gassy slightly oil cut mud to surface. Spot 30 bbls crude oil in annulus above 4655'. Worked piped for 3 3/4 hrs. Pulled free. Trip out of hole. Recovered 30' of oil cut watery mud below circulating sub (5% oil, 80% mud, 15% water).

FP 43-985#.

04-13-04 TD 4820'. Drilling ahead. Displaced mud and spot oil at 4:15 PM. Pipe came free at 8:00 PM. (Drilled 55' in 2.5 hrs, Trip 6.25 hrs, Circ 1 hrs, Service 0.5 hrs, DST 1 hrs, stuck 13 hrs) Mud Properties: Wt. 8.6, Vis. 52, WL 8.0, LCM 1#, Wt. on Bit 40,000, 85 RPM, Pump Pressure 1100, 60 SPM. Bit No. 3: 7 7/8" JZ HA527Y, in at 4655', made 165' in 5.5 hrs.

Marmaton "B" porosity 4875-4886': Drilled 1/4" per foot. Limestone; cream to buff, finely xln, sucrosic in part, fossiliferous and oolitic. Fair to good oolicastic and inter-crystalline porosity. Scattered fair show of free oil. Slight to fair show of gas bubbles. Scattered patchy to saturated even oil stain. 150 unit gas kick above background. 50 unit recycle.

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DST #5 4865-4900' (Marmaton "B")
Open 30", SI 60", Open 60", SI 90"
Strong blow, OBB/2" on 1st open period. BBBB/8"
Strong blow, gas to surface in 34", TSTM, on 2nd open period.
Recovered 832' of total fluid as follows:
120' of slightly mud and water cut gassy oil, (30% gas, 55% oil, 5% mud, 10% wtr)
120' of water cut muddy oil, (45% oil, 40% mud, 15% water)
120' of slightly mud cut watery oil, (50% oil, 5% mud, 45% water)
472' of saltwater. (75,000 ppm chlorides)
FP 116-212# 236-429#
ISIP 1458# FSIP 1436#

04-14-04 TD 4900'. Circulating hole. (Drilled 80' in 2.75 hrs, Trip 12.5 hrs, Circ 2 hrs, Service 0.75 hrs, DST 6 hrs) Mud Properties: Wt. 8.7, Vis. 54, WL 12.0, LCM 2#, Wt. on Bit 40,000, 85 RPM, Pump Pressure 1100, 58 SPM. Bit No. 3: 7 7/8" JZ HA527Y, in at 4655', made 245' in 8.25 hrs.

04-15-04 TD 5080'. Drilling ahead. (Drilled 180' in 8.25 hrs, Circ 2.75 hrs, Service 1.5 hrs, Mix mud for displacement 10.75 hrs) Mud Properties: Wt. 9.1, Vis. 53, WL 8.0, LCM 5#, Wt. on Bit 40,000, 80 RPM, Pump Pressure 1000, 60 SPM. Bit No. 3: 7 7/8" JZ HA527Y, in at 4655', made 425' in 16.5 hrs.

04-16-04 TD 5345'. Drilling ahead. (Drilled 265' in 17.75 hrs, Circ 4.5 hrs, Service 1.25 hrs) Mud Properties: Wt. 8.9, Vis. 57, WL 8.8, LCM 9#, Wt. on Bit 40,000, 85 RPM, Pump Pressure 1100, 60 SPM. Bit No. 3: 7 7/8" JZ HA527Y, in at 4655', made 690' in 34.5 hrs.

Drilled 6' of poorly developed Upper Morrow Sand with a 400+ unit gas kick. Elected to drill ahead with the possibility of testing upper and lower sands together.

04-17-04 TD 5400'. Tripping in hole. (Drilled 55' in 2 hrs, Trip 11.5 hrs, Circ 2.5 hrs, Service 0.05 hrs, DST 7.5 hrs) Mud Properties: Wt. 9.2, Vis. 58, WL 10.4, LCM 4#, Wt. on Bit 40,000, 85 RPM, Pump Pressure 700, 60 SPM. Bit No. 3: 7 7/8" JZ HA527Y, in at 4655', made 745' in 36.5 hrs.

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DST #6 5265-5400' (Atoka & Morrow)
Open 30", SI 60", Open 60", SI 90"
1st Open: Good blow, B.O.B. in 3".
2nd Open: B.O.B. immediately. GTS in 4 mins, TSTM
Recovered 120' of GCM. (5% gas, 95% mud)
FP 107-50# 90-36#
ISIP 1531# FSIP 1601#

04-18-04 TD 5655'. Drilling ahead. (Drilled 255' in 18.25 hrs, Trip 1 hr, Circ 1.75 hrs, Service 3 hrs) Mud Properties: Wt. 9.0, Vis. 54, WL 8.8, LCM 3#, Wt. on Bit 40,000, 85 RPM, Pump Pressure 1150, 60 SPM. Bit No. 3: 7 7/8" JZ HA527Y, in at 4655', made 1000' in 54.75 hrs.

04-19-04 TD 5800'. Trip in hole. (Drilled 145' in 9 hrs, Trip 2.75 hrs, Circ 1.5 hrs, Service 0.5 hrs, Survey 0.25 hr, Logs 9.75 hrs, WOO 0.25 hrs) Mud Properties: Wt. 9.1, Vis. 58, WL 9.6, LCM 4#, Wt. on Bit 40,000, 85 RPM, Pump Pressure 1100, 60 SPM. Bit No. 3: 7 7/8" JZ HA527Y, in at 4655', made 1145' in 63.75 hrs.

Run Rosel Dual Induction, Density-Neutron with PE and Microlog. Prepare to run new 4-1/2" production casing.

04-20-04 RTD 5800'. LTD 5806'. Condition hole. LDDP. Ran 134 jts of new 4 1/2" 10.5# R-3 J-55 casing. Talley = 5780.08'. Set casing 38' off bottom at 5768' LTD. Top of shoe jt. @ 5736'. DV tool at 3135'. Centralizers on top of joints 1,9,13,20,23, 25, 27, 31, 60 and 62. Ran basket on 60th joint below port collar. RU Acid Services. Pumped 20 bbls of salt flush followed by 12 bbls of mud flush. Cemented first stage with 325 sx of AA-2 cement with 5% Calset, 10% salt, 0.1% defoamer, 0.8% FLA-322, 5# gilsonite/sk, 0.25% CFRM and 0.75% Gasblock. Yield 1.46 ft³/sk. 15.0 ppg. 6.38 gals/sk. Lift pressure was 850#. Landed plug at 2000#. Good circulation. Plug down at 2:30 AM. Had difficulty opening DV tool. Tool opened at 4:30 AM. Circulated hole for 3 hrs. Pumped 12 bbls of mud flush. Cemented second stage leading with 175 sx of A-Con with 3% CC and 1/4# cellflake (11.5 ppg, yield 2.96 cuft/sk) followed by 200 sx of AA-2 cement with 5% Calset, 10% salt, 0.1% defoamer, 0.8% FLA-322, 5# gilsonite/sk, and 0.25% CFRM. Yield 1.46 ft³/sk. 15.0 ppg. 6.38 gals/sk. Lift pressure was 500#. Landed plug at 2000#. Good circulation. Plug down at 8:40 AM. Cemented rathole with 15 sx A-Con with 2% gel.

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SAMPLE TOPS

McCoy Petroleum
Clawson "A" #2-1
NE SW SW
Sec. 1-31S-32W
KB: 2843'

Structure compared to

McCoy Petroleum
Clawson "A" #1-1
C NW SE
Sec. 1-31S-32W
KB: 2836'

Heebner	4131 (-1288)	+20
Lansing	4198 (-1355)	+21
LKC "B" Por.	4242 (-1399)	+24
LKC "C" Por.	4280 (-1437)	+20
LKC "G"	4482 (-1639)	+21
Stark Shale	4635 (-1792)	+24
Swope porosity	4645 (-1802)	+18
Hushpuckney	4739 (-1896)	+34
Hertha porosity	4753 (-1910)	+32
Marmaton	4851 (-2008)	+24
Marmaton "B"por.	4875 (-2032)	Not developed
Pawnee	4945 (-2102)	+29
Cherokee	5004 (-2161)	+27
Atoka	5229 (-2386)	+36
Morrow Shale	5282 (-2439)	+32
Upper Morrow Sand	5299 (-2456)	Not Developed
Chester	5398 (-2555)	+29
St. Genevieve	5534 (-2691)	+21
St. Louis	5660 (-2817)	+11
RTD	5800 (-2957)	

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ELECTRIC LOG TOPS

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NE SW SW
Sec. 1-31S-32W
KB: 2843'

Structure compared to

McCoy Petroleum
Clawson "A" #1-1
C NW SE
Sec. 1-31S-32W
KB: 2836'

Heebner	4128 (-1285)	+23
Lansing	4194 (-1351)	+25
Lansing "B"	4234 (-1391)	+21
LKC "G"	4282 (-1639)	+21
Stark Shale	4632 (-1789)	+27
Swope porosity	4644 (-1801)	+19
Hushpuckney	4741 (-1898)	+32
Hertha porosity	4752 (-1909)	+33
Marmaton	4848 (-2005)	+27
Marmaton "B" porosity	4876 (-2033)	Not developed
Cherokee	5019 (-2176)	+12
Atoka	5258 (-2415)	+ 7
Morrow	5302 (-2459)	+12
Chester	5401 (-2558)	+26
St. Genevieve	5537 (-2694)	+18
St. Louis	5658 (-2815)	+13
LTD	5806 (-2693)	

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SHOWS AND POTENTIAL PAY ZONES

LKC "G"	4482-4487'	250 unit gas kick	Oil & gas show	DST #2
Swope	4644-4655'	600 unit gas kick	Oil & gas show	DST #3
Hertha	4752-4762'	120 unit gas kick	Oil & gas show	DST #4
Marmaton "B"	4876-4884'	150 unit gas kick	Oil & gas show	DST #5
Atoka	5270-5272' & 5274-5276'	100 unit gas kick		DST #6
	5286-5290'	130 unit gas kick		DST #6
Morrow	5302-5305'	400 unit gas kick		DST #6
	5308-5310'	200 unit gas kick		DST #6
	5334-5336' & 5340-5342'	60 unit gas kick		DST #6

COMPLETION REPORT

06-10-04 Plan to begin completion on 6/14/04.

06-14-04 MIRU. RIH with 2 3/8" tubing and bit. Drill out DV tool at 3126'. Clean hole to PBTD at 5721'. Load hole with KCL water and tested casing to 1000#, held. TOH with tubing and bit. RU Rosel and ran GR-CBL-CCL log. Could not correlate cased and open hole logs. Swabbed casing down to 3000'. SDON.

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06-15-04 RU Rosel and re-ran GR-CBL-CCL log using different truck. Log looks good. Top of cement at 3914'. **Perforated St. Louis zone from 5664-5672', 2 SPF, using a HSC gun.** TIH with packer and tubing. RU swab and test St. Louis, natural. Swabbed down and dry. RU Heat Waves. **Spot 500 gals. of 15% FE acid at perforations.** Loaded hole with 11 bbls of flush and began pumping at $\frac{3}{4}$ BPM and 120 psi. Increased rate to $1\frac{3}{4}$ BPM and pressure increased from 200# to 280#. ISIP vacuum. TL 35 bbls. RU Swab. Recovered 25.5 bbls, no show. Swabbed dry. No show of gas or oil. TOH with tubing and packer. SDON

06-16-04 RU Rosel to perforate Morrow and Atoka. **Set CIBP @ 5600'.** **Perforate the following zones using HSC guns, 2 shots per foot:**

5340-5342' (Morrow)
5334-5336' (Morrow)
5308-5310' (Morrow)
5302-5305' (Morrow)
5287-5389' (Atoka)
5274-5276' (Atoka)
5270-5272' (Atoka)

TIH with tubing and packer. Set packer above perforations. Swab dry with weak gas blow. Vent gas TSTM, natural. Leave well venting overnight.

06-17-04 Venting estimated 20,000 CFGPD, natural. Rig up Heat Waves. Release packer and lower tubing to spot acid across perforations. Pull up and set packer above perforations. **Acidize with 750 gallons of 7 1/2% FE acid with 45 ball sealers.** Pressure to 1200# and broke, pump $\frac{1}{4}$ BPM @ 600#, increase rate to $1\frac{1}{2}$ BPM @ 780#, good ball action until ball off. Surge balls back. Pump rest of acid @ $1\frac{3}{4}$ BPM @ 700#. ISIP 180#. Fell to 0# in 15 seconds. Built back to 200# in 10 minutes. Bleed back and died. Swab 19 BLW first hour. Release and lower packer to rake off balls. Pull back up and reset packer. Swab down to perforations 2nd hour. Recovered 8.21 BLW with a show of gas. Shut down for lunch. Vent gas TSTM.

3rd hr: Vent 25,000 CFGPD. Made 1 run with swab. Recovered $\frac{3}{4}$ BLW.
4th hr: Vent 25,000 CFGPD. Made 1 run with swab. Recovered $\frac{3}{4}$ BLW.
5th hr. Vent 25,000 CFGPD. Made 1 run with swab. Recovered $\frac{3}{4}$ BLW.
Shut in for night. Short 9 $\frac{1}{2}$ BL.

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06-18-04 SITP 830#. Blow down. Release packer. Lower tubing to below perforations. Swab tubing to remove water from tubing and annulus prior to frac. TOH with tubing and packer. Vent 25,000 CFGPD from casing. Shut in.

06-19-04 SICP 620#. Rig up Acid Services. **Fracture treat Morrow and Atoka perforations down casing with 15,000 gallons of Profrac 25 and 17,000# of 20/40 Brady sand as follows:** Set rate @ 18 BPM. 6000 gallons pad on bottom @ 1300#; 2000 gallons with 1#/gallon sand on bottom @ 1460#; 2000 gallons with 1½#/gallon sand on bottom @ 1490#; 2000 gallons with 2#/gallon sand on bottom @ 1490#; 2000 gallons with 2½#/gallon sand on bottom @ 1500#; 1000 gallons with 3#/gallon sand on bottom @ 1550#. Flush to perforations. Sand clear @ 1650# Final pressure. ISIP 1220#; 864#/5"; 662#/10"; 535#/15". Shut in until Monday. Total load = 461 barrels.

06-20-04 Shut in.

06-21-04 Casing on vacuum. RIH with tubing and packer. Set packer @ 5240'. RU swab. Swabbed 8 hrs. Recovered 112 barrels, short 303 barrels of load. Last hour 3.5 barrels of fluid 2.5% oil, good show of gas estimate 50 Mcfgpd rate.

06-22-04 SITP 580#. FL 2300' FS. 100' oil on top. RU swab and began testing. First hour recovered 12.76 BF, last pull .58 BF. Second hour made 1 run and recovered 0.58 BF with good of gas and trace of oil. Third hour made 1 run and recovered 1.47 BF with good of gas and trace of oil. Total recovery 127.5 BF. TOH with tubing and packer. RU Rosel. **Perforate Marmaton "B" 4876-4880', 4 SPF, using a slick gun.** RD Rosel. RIH with Lok-set RBP, on-off tool, packer and 165 jts. of tubing. **Set RBP @ 5214'.** Pulled 1 jt and dumped 1 sx of sand on top of RBP. Pull 10 more jts and set packer at 4855'. RU swab. Marmaton "B" swabbed down and dry, natural.

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06-23-04 SITP 80#. Ran swab. FL 3600' FS. First pull recovered 250' of oil and 950' of water. Second pull was dry. RU Heatwaves. Spotted acid on bottom. **Acidized Marmaton "B" perforations with 300 gallons of 15% FE acid.** With 3 bbls pumped, pressure was 1130#. Zone broke back to 520# and pumped remainder of job at 0.5 BPM. Pressure decreased to 190# throughout remainder of job. ISIP 150#. On vacuum in 4 minutes. TL 27 bbls. RU swab. Made hourly test as follows.

<u>Hour</u>	<u>Pulls</u>	<u>Recovery</u>	<u>Fluid level</u>	<u>Comments</u>
1 st	6	27.25 bbls	2200'	Show of gas
2 nd	5	19.72	2600'	16% oil w/good show of gas
Shut down 30 mins for lunch			2200'	
3 rd	5	20.30	2650'	12% oil w/good show of gas
4 th	3	9.86	2400'	15% oil w/good show of gas
5 th	3	11.60	2500'	12% oil w/good show of gas
6 th	3	12.18	2550'	13% oil w/good show of gas
7 th	3	11.60	2550'	13% oil w/good show of gas

TOH with tubing and packer. SDON.

06-24-04 SICP 120#. FL 1650' FS. RU Rosel. **Perforated Kansas City Swope 4645' to 4648, 4 SPF, using HSC gun.** RIH with Lok-set RBP, on-off tool, packer and tubing. **Set RBP @ 4829'.** Pulled 1 jt and dumped 1 sx of sand on top of RBP. **Set packer at 4629'.** RU swab. First hour made 4 pulls and recovered 13.92 BF. FL 3800' FS. Second hour first pull was dry, gas decreased from 116 to 95 MCF in 10 minutes. Waited on acid trucks. Made second pull and was dry, gas decreased from 230 to 116 MCF in 10 minutes. RU Heatwaves. **Acidized Kansas City Swope with 750 gallons of 15% FE-NE acid.** Hole loaded with 17.5 bbls pumped. Staged in acid for 15 minutes, pressure increased to 830#. Zone broke down to a vacuum and remainder of job was pumped at $\frac{1}{2}$ increasing to $1\frac{1}{2}$ BPM. TL 38 Bbls. RU swab. FL 1500' FS. First hour made 2 pulls and well kicked off flowing. Recovered 40.60 BF with a trace of oil. Rig up and flow thru separator. Second hour recovered 15.08 BF with trace of oil. TP 220#. Choke 23/64". Well is surging thru choke from 0 to 300-450 MCF. Third hour recovered 10.50 BF with trace of oil. TP 220#. Choke 23/64". Well is surging thru choke from 0 to 450 MCF. Fourth hour recovered 9.00 BF with trace of oil. TP 220#. Choke 23/64". Well is surging thru choke from 0 to 450 MCF. SION.

WELL REPORT

McCoy Petroleum Corporation
Clawson "A" #2-1
20' N & 20' W of NE SW SW
Section 1-31S-32W
Seward County, Kansas

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06-25-04 SITP 1020#. Opened well at 8:00 AM. Blew down @ 400 MCF. At 8:30 well was flowing 288 MCF on 15/64ths choke with 200# TP. Had initial show of oil then fluid turned to water. Well began surging again. First hour recovered 5.20 BF, TP 220#, Choke 17/64ths. Gas Rate ranging from 0 to 400 MCF. Second hour opened choke and held 100# on separator. Flowed an average of 450 MCF and 25.5 BF. Third hour well began surging and gas flow ranged from 0 to 700 MCF and 34.8 BF. Choked well back to 6/64ths. TP 350#. Flowed at a rate of 51 MCF with no fluid. Hole slowly began loading up. Decided to squeeze perforations to shut off water. Released packer and pulled 2 joints. Reset packer at 4567'. RU Acid Services. **Squeeze cemented with 35 sx common with fluid loss additives (15 ppg) followed by 75 sx common (15.6 ppg).** Mixed 24 bbls of cement. Started displacement at 500# and 1 BPM. With 6 bbls pumped had 900# at 0.5 BPM. With 15 bbls pumped had 1900# at 0.3 BPM. With 16 bbls pumped had 1950# at 0.25 BPM. Shut down. Pressure dropped to 1400#. Pressured up to 2100# and held for 5 mins. Released pressure and well bled back. Pressured up to 2000# for 20 mins. Released pressure and held. Released packer and reversed out. Reset packer and pressured up to 500#. SI well.

06-28-04 Released packer. TOH with tubing and packer. TIH with bit and tubing. Tagged cement at 4562'. Prepare to drill out cement.

06-29-04 Drill out cement from 4562' to 4658'. Circulate hole clean. TIH and tag top of sand at 4817'. Dry drilled 2' to clear any cement off of sand. No indication of any cement. TOH with tubing and bit. RU Rosel. **Re-perforated Kansas City Swope 4645' to 4648, 4 SPF, using HSC gun.** TIH with tubing and packer. RU swab. Made 4 pulls and swabbed down and dry.

06-30-04 RU Heatwaves. Released packer and lowered 1' below perfs. Circulated hole and spotted acid at perfs. Raised tubing 20' and reset packer. **Acidized with 150 gals of 15% FE acid.** Let acid soak on bottom for 15 minutes. Staged pump and pressures from 50# to 600# in 100# increments. No rate. Pumped acid at 0.1 BPM and 130#. Overflushed with 1 bbl. RU swab. Made hourly swab test as follows.

Hour	Pulls	Recovery	Gas Rate	Comments
1 st	6	23.2 bbls	117 - 48 mcf	Swabbed down
2 nd	1	3.5	166 - 90	Show of oil
	1		200 - 108	
3 rd	1	1.16	231 - 129	40% oil
	1	dry	231 - 141	
4 th	1	1.74	352 - 166	37.5% oil
	1	dry	303 - 156	Leave well flowing

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07-01-04 Well flowing 134 MCF with 30# TP. Made 10.44 BF overnight. RU swab. FL 2500' FS. First pull was 95% oil and second pull was 65% oil. Swabbed dry. Recovered 9.86 BF for a total recovery of 20.3 BF in 15 hrs. Gas rate ranging from 315 to 159 MCF. Made one more run and recovered 600' of scattered fluid. TOH with tubing and packer. TIH with 24' slotted OPMA, SN and 148 jts of 2 3/8" tubing. MA @ 4681.11'. SN @ 4656'. RIH with 1" x 12' gas anchor, 2" x 1 1/2" x 16' RWTC pump, 3/4" x 2' pony rod, 124 used 3/4" rods, 61 used 7/8" rods, two 7/8" x 4' pony rods, 1 1/4" x 22' polish rod and 1 1/2" x 10' hard faced polish rod liner. Rigged down. Waiting on surface equipment.

07-15-04 Start building grade and installing leadline.

07-20-04 Built grade, set separator, laid leadline and built wellhead.

07-21-04 Set tanks and pumping unit. Begin making connections.

07-22-04 Making tank battery connections.

07-28-04 Tank battery complete.

08-02-04 Waiting on pipeline connection.

08-27-04 Oneok set gas meter.

08-30-04 Oneok still has gathering line and hot tap of main line to install.

08-31-04 Expect Oneok to complete work today. Will try and **start up well this afternoon.**

09-01-04 Produced 159 MCF. Rate was 230 MCFPD this morning. Fluid is filling gunbarrel. Pumping unit is on time clock.

09-02-04 Produced 205 MCF. CP 60#. Fluid is filling gunbarrel.

09-03-04 Produced 223 MCF. Fluid is filling gunbarrel.

09-05-04 Produced 147 MCF and 21.5 BO.

09-06-04 Produced 138 MCF and 21.5 BO.

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09-07-04 Produced 129 MCF and 25 BO.