

FORM MUST BE TYPED

CONFIDENTIAL SIDE ONE

ORIGINAL

STATE CORPORATION COMMISSION OF KANSAS
OIL & GAS CONSERVATION DIVISION
WELL COMPLETION FORM
ACO-1 WELL HISTORY
DESCRIPTION OF WELL AND LEASE

API NO. 15- 023-20503 -

County CHEYENNE

-SW - SE - NW Sec 32 Twp. 2S Rge. 41 W

2460 Feet from SW (circle one) Line of Section

1800 Feet from EW (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner
NE, SE, NW or SW (circle one)

Lease Name TERRY UNIT Well # 7-32.

Field Name RAILE

Producing Formation _____

Elevation: Ground 3685 KB 3690

Total Depth 5100 PBSD 5070 insert

Amount of Surface Pipe Set and Cemented at 368 Feet

Multiple Stage Cementing Collar Used? Yes X No

If yes, show depth set _____ Feet

If Alternate II completion, cement circulated from _____ feet
depth to _____ w/ _____ sx cmt.

Drilling Fluid Management Plan ALL IN 7.18.03
(Data must be collected from the Reserve Pit)

Chloride content _____ ppm Fluid volume 2500 bbls

Dewatering method used Evaporation

Location of fluid disposal if hauled offsite:

Operator Name _____

Lease Name _____ License No. _____

_____ Quarter Sec. _____ Twp. _____ S Rng. _____ E/W

County _____ Docket No. _____

Operator: License # 30606

Name: Murfin Drilling Co., Inc.

Address 250 N. Water, Suite 300

City/State/Zip Wichita, KS 67202

Purchaser: _____

Operator Contact Person Tom W. Nichols

Phone (316) 267 - 3241

Contractor: Name: Murfin Drilling Co., Inc.

License: 30606

Wellsite Geologist: Curtis Covey

Designate Type of completion
X New Well _____ Re-Entry _____ Workover

X Oil _____ SWD _____ SIOW _____ Temp. Abd.
_____ Gas _____ ENHR _____ SIGW
_____ Dry _____ Other (Core, WSW, Expl., Cathodic, etc)

If Workover/Re-Entry: old well info as follows:

Operator: _____

Well Name: _____

Comp. Date _____ Old Total Depth _____

_____ Deepening _____ Re-perf. _____ Conv. to Inj/SWD
_____ Plug Back _____ PBSD

_____ Commingled _____ Docket No. _____
_____ Dual Completion _____ Docket No. _____
_____ Other (SWD or Inj?) _____ Docket No. _____

5/12/03 5/23/03 6/23/03
Spud Date Date Reached TD Completion Date

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 on 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.

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 Tom W. Nichols

Title Tom W. Nichols, Production Manager Date 2003

Subscribed and sworn to before me this 7th day of July 2003.

Notary Public Barbara J. Dodson
Barbara J. Dodson

Date Commission Expires 12/16/03

K.C.C. OFFICE USE ONLY
F Letter of Confidentiality Attached
C Wireline Log Received
C Geologist Report Received
Distribution
_____ KCC _____ SWD/Rep _____ NGPA
_____ KGS _____ Plug _____ Other (Specify)

BARBARA J. DODSON
NOTARY PUBLIC
STATE OF KANSAS
My Appt. Exp. _____

Operator Name **Murfin Drilling Co. Inc.**

Lease Name Terry Unit Well # 7-32

JAVIIOIIO

Sec. 32 Twp. 2S Rge. 41 W

East
 West

County Cheyenne

INSTRUCTIONS: Show important tops and base of formations penetrated. Detail all cores. Report all drill stem 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 during test. Attach extra sheet if more space is needed. Attach copy of log.

Drill Stem Tests Taken Yes No
(Attach Additional Sheets.)

Log Formation (Top), Depth and Datums Sample

Samples Sent to Geological Survey Yes No

Name Top Datum

Cores Taken Yes No

SEE ATTACHED LIST

Electric Log Run Yes No
(Submit Copy.)

List all E.Log Microresistivity, Dual Comp. Porosity, Dual Induction

CASING RECORD <u> </u> New <u> </u> 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	12 1/4"	8 5/8"	24#	362'	COMM	275	3%cc 2% gel
Production	7 7/8"	5 1/2"	15.5#	5090'	EA-2	225	

ADDITIONAL CEMENTING/SQUEEZE RECORD

Purpose: _ Perforate _ Protect Csg _ Plug Back TD _ Plug Off Zone	Depth Top/Btm	Type of Cement	# Sacks Used	Type and Percent Additives

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used) Depth	
4	4736-60(J), 4608-14(D)	500 gals 15%MVA Acid	4736-60 (J)
		1000 gals 15%MCA acid	4608-14 (D)

TUBING RECORD	Size <u>2 3/8"</u> Set At <u>4810.62</u>	Packer At	Liner <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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Date of First, Resumed Production, SWD or Inj. <u>6/23/03</u>	Producing Method <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other
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Estimated Production Per 24 Hours	Oil Bbls <u>11BO</u>	Gas Mcf <u>-</u>	Water Bbls <u>4BW</u>	Gas-Oil Ratio	Gravity
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Disposition of Gas:

METHOD OF COMPLETION

Production Interval

Vented Sold Used on Lease Open Hole Perf. Dually Comp. Commingled
(If vented, submit ACO-18.) Other (Specify)

as above

ALLIED CEMENTING CO., INC.
 P.O. BOX 31
 RUSSELL, KS 67665
 PH (785) 483-3887
 FAX (785) 483-5566
 FEDERAL TAX ID# 48-0727860

CONFIDENTIAL

KCC

JUL 07 2003

ORIGINAL 6-5-03

 * INVOICE *

RECEIVED

CONFIDENTIAL

JUL 08 2003

KCC WICHITA

Invoice Number: 089878

Invoice Date: 05/14/03

Sold Murfin Drilling Co.
 To: 250 N. Water, St. #300
 Wichita, KS
 67202

Release
 AUG 24 2004
 From
 Confidential

Due Date.: 06/13/03
 Terms....: Net 30

Cust I.D.....: Murfin
 P.O. Number...: Terry Unit 7-32
 P.O. Date.....: 05/14/03

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TY
Common	275.00	SKS	8.3500	2296.25	T
Gel	5.00	SKS	10.0000	50.00	T
Chloride	10.00	SKS	30.0000	300.00	T
Handling	275.00	SKS	1.1500	316.25	E
Mileage (80)	80.00	MILE	13.7500	1100.00	E
275 sks @\$.05 per sk per mi					
Surface	1.00	JOB	520.0000	520.00	E
Mileage pmp trk	80.00	MILE	3.5000	280.00	E
Surface plug	1.00	EACH	45.0000	45.00	T

All Prices Are Net, Payable 30 Days Following Subtotal: 4907.50
 Date of Invoice. 1 1/2% Charged Thereafter. Tax.....: 169.55
 If Account CURRENT take Discount of \$ 490.75 Payments: 0.00
 ONLY if paid within 30 days from Invoice Date Total...: 5077.05

490.75
 4586.30

Account	Unit Rig	W	No	Amount	Description
B600 00300			1643	5077.05	Cement S. Co.
				(490.75)	

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ALLIED CEMENTING CO., INC. 12262

Federal Tax I.D.# [REDACTED]

REMIT TO P.O. BOX 31
RUSSELL, KANSAS 67665

SERVICE POINT:

Oakley
ORIGINAL

DATE <u>5-12-03</u>	SEC. <u>32</u>	TWP. <u>2^s</u>	RANGE <u>41^W</u>	CALLED OUT	ON LOCATION <u>3:45 PM</u>	JOB START <u>9:00 PM</u>	JOB FINISH <u>9:30 PM</u>
LEASE <u>Terry unit</u>	WELL # <u>7-32</u>	LOCATION <u>Sti Francis 1/2U-5N-54-1/2S</u>	COUNTY <u>Cherokee</u>		STATE <u>Kan</u>		
OLD OR <u>NEW</u> (Circle one)		<u>1/2U-1/2S</u>					

CONTRACTOR <u>MurFin Drls Co #3</u>	OWNER <u>Same</u>
TYPE OF JOB <u>Surface</u>	CEMENT
HOLE SIZE <u>12 1/4</u>	T.D. <u>368'</u>
CASING SIZE <u>8 3/8</u>	DEPTH <u>368'</u>
TUBING SIZE	DEPTH
DRILL PIPE	DEPTH
TOOL	DEPTH
PRES. MAX	MINIMUM
MEAS. LINE	SHOE JOINT
CEMENT LEFT IN CSG. <u>15'</u>	
PERFS.	
DISPLACEMENT <u>22 1/2 BBL</u>	
EQUIPMENT	

COMMON	<u>275-SKs @</u>	<u>8³⁵</u>	<u>2,296²⁵</u>
POZMIX	@		
GEL	<u>5-SKs @</u>	<u>10⁰⁰</u>	<u>50⁰⁰</u>
CHLORIDE	<u>10-SKs @</u>	<u>30⁰⁰</u>	<u>300⁰⁰</u>
	@		
	@		
	@		
	@		
HANDLING	<u>275-SKs @</u>	<u>1¹⁵</u>	<u>316²⁵</u>
MILEAGE	<u>5¢ per sk/mile</u>		<u>1,100⁰⁰</u>

PUMP TRUCK # <u>102</u>	CEMENTER <u>Walt</u>	HELPER <u>Walt</u>
BULK TRUCK # <u>309</u>	DRIVER <u>Max</u>	
BULK TRUCK #	DRIVER	

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TOTAL 4,062⁵⁰

REMARKS:
Mix 1st 125 SKs cement
w/ 300# Huffs
Tail in with 150 SKs cement
Displace Plog w/ 22 1/2 BBL, circ
3 BBL cement in P.T.
[Signature]

DEPTH OF JOB		
PUMP TRUCK CHARGE		<u>520⁰⁰</u>
EXTRA FOOTAGE	@	
MILEAGE <u>80-miles</u>	@	<u>3⁵⁰</u>
PLUG <u>8 3/8 Surface</u>	@	<u>45⁰⁰</u>
	@	
	@	

TOTAL 845⁰⁰

CHARGE TO: MurFin Drls Co, Inc
 STREET _____
 CITY _____ STATE _____ ZIP _____

FLOAT EQUIPMENT

	@	
	@	
	@	
	@	
	@	

TOTAL _____

To Allied Cementing Co., Inc.
 You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read & understand the "TERMS AND CONDITIONS" listed on the reverse side.

TAX _____
 TOTAL CHARGE _____
 DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE [Signature]

RELEASE
AUG 24 2004
 PRINTED NAME _____
 From
 Confidential

CONFIDENTIAL

SWIFT SERVICES, INC.

PO BOX 466

NESS CITY, 67560-0466

ORIGINAL Invoice

DATE	INVOICE #
5/22/03	5520

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KCC WICHITA

BILL TO
Murfin Drilling Co Inc PO Box 661 Colby, KS 67701-0661

KCC
JUL 0 7 2003
CONFIDENTIAL

USED FOR NEW WELL

APPROVED ST

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Operator	Job Purpose
Net 30	7-32	Terry Unit	Cheyenne		Oil	Development	Lenny	L/S

PRICE REFERE...	DESCRIPTION	QTY	UNIT PRICE	AMOUNT
575D	Milage	150	2.50	375.00
578D	Pump Charge	1	1,200.00	1,200.00
400-5	5 1/2" Guide Shoe	1	100.00	100.00T
401-5	5 1/2" Insert Float with Auto Fill	1	125.00	125.00T
402-5	5 1/2" Centralizers	10	44.00	440.00T
150	Rotating Head	1	150.00	150.00T
413-5	Roto Wall Scratchers	10	30.00	300.00T
414-5	Limit Clamp	1	25.00	25.00T
410-5	Top Plug	1	50.00	50.00T
281	Mud Flush	500	0.60	300.00T
221	Liquid KCL	3	19.00	57.00T
325	Cement	250	7.00	1,750.00T
284	Calseal	12	25.00	300.00T
283	Salt	1,350	0.15	202.50T
285	CFR-2	118	2.75	324.50T
277	Gilsonite	1,250	0.30	375.00T
290	D-Air	59	2.75	162.25T
581D	Service Charge Cement	250	1.00	250.00
583D	Drayage	1,373.85	0.85	1,167.77
	Subtotal			7,654.02
	Sales Tax		5.30%	247.05

COPY

Thank you for your business.

Total Released \$7,901.07

AUG 24 2004

From Confidential

ORIGINAL



CHARGE TO: *Muffin Only.*

ADDRESS:

CITY, STATE, ZIP CODE: *Colly Ks*

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TICKET No 5520

PAGE 1 OF 2

SERVICE LOCATIONS: *Haystack*

WELL/PROJECT NO.: *7-32*

LEASE: *Terry Unit*

COUNTY/PARISH: *Clayton*

STATE: *KS*

CITY:

DATE: *5-22-03*

OWNER: *Samp*

TICKET TYPE: SERVICE SALES

CONTRACTOR:

RIG NAME/NO.: *Muffin Rig 3*

SHIPPED VIA: *106*

DELIVERED TO: *Sf Francis*

ORDER NO.:

WELL TYPE: *oil*

WELL CATEGORY: *Development*

JOB PURPOSE: *YS*

WELL PERMIT NO.:

WELL LOCATION:

REFERRAL LOCATION: *—*

INVOICE INSTRUCTIONS:

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PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT
		LOC	ACCT	DF							
575					MILEAGE	150	mi			2.50	375.00
578					Pump charge	1	EA				1200.00
400					Guide shoe	1	EA	5 1/2	in		100.00
401					insert float valve	1	EA				125.00
402					Centalgens	10	EA			44.00	440.00
193					Rotating head	1	EA				150.00
413					Rotating cable scratches	10	EA			30.00	300.00
414					E-2 Cox clamp	1	EA				25.00
410					5W Top Plug	1	EA				50.00
281					Mud flush	500	Gal			60	300.00
221					Liquid KC L	36	al			19.00	57.00
					from continuation sheet						4532.02

KCC
JUL 07 2003
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LEGAL TERMS: Customer hereby acknowledges and agrees to the terms and conditions on the reverse side hereof which include, but are not limited to, PAYMENT, RELEASE, INDEMNITY, and LIMITED WARRANTY provisions.

MUST BE SIGNED BY CUSTOMER OR CUSTOMER'S AGENT PRIOR TO START OF WORK OR DELIVERY OF GOODS

DATE SIGNED: *5-22-03*

TIME SIGNED: *4:00*

A.M. P.M.

REMIT PAYMENT TO:

SWIFT SERVICES, INC.

P.O. BOX 466

NESS CITY, KS 67560

785-798-2300

SURVEY	AGREE	UN-DECIDED	DIS-AGREE	PAGE TOTAL
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?				7654.02
WE UNDERSTOOD AND MET YOUR NEEDS?				
OUR SERVICE WAS PERFORMED WITHOUT DELAY?				
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?				TAX 247.05
ARE YOU SATISFIED WITH OUR SERVICE?	<input type="checkbox"/> YES	<input type="checkbox"/> NO		TOTAL 7901.07
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND				

CUSTOMER ACCEPTANCE OF MATERIALS AND SERVICES The customer hereby acknowledges receipt of the materials and services listed on this ticket.

SWIFT OPERATOR: *Lemus*

APPROVAL:

Thank You!

CUSTOMER *Murphy Drilling Co.* WELL NO. 7-32 LEASE Terry Unit JOB TYPE 2/S TICKET NO. 5520

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	1530							ON LOC Reg Laying Down D.P. LTD 5104 RTD 5100
	1845							ST CSG 5 1/2 15.5# TOTAL CSG 5090' S.T. 20
								Rem Guide shoe, insert float valve at 5070
								Centralizer 5' above Guide shoe w/E 2 coc clamp
								and on collars 3, 5, 7, 9, 11, 13, 15, 17, 19
								scratches 10 EA Throughout Pay Zones
	2110							CSG on bottom hook up to Circ & Rotate
	2120							ST Circ
	2205							finish circ
								Plug Rathole w/15 SKS CMT
								Plug Mousehole w/ 10 SKS CMT
								Pump 500 mud flush
			12 BBL					30 BBL Clarif water + 5 BBL Gelled water
	2215	4	30 BBL					225 SKS STOCMT w/ 5% Calceal, 10% Salt
								5# Gilsomite/SK, 1/2% CFR-2, 1/4% D AIP
	2236		60 BBL					finish mixing CMT wash out P&L
	2238	7						Release Top Plug & ST Disp
	2255	3 1/2	120.6				1200	Plug Down
	2300							Release float hold
	2330							Job Complete

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Released
AUG 24 2004
From
Control in

7-7-04

Release
AUG 24 2004
From
Confidential



MURFIN
DRILLING
CO., INC.



CONTRACTORS AND PRODUCERS

KCC

JUL 07 2003

CONFIDENTIAL

July 7, 2003

KANSAS CORPORATION COMMISSION
130 S. MARKET STE. #300
Wichita, KS 67202

Re: **CONFIDENTIAL** RECEIVED
JUL 08 2003
KCC WICHITA

Terry Unit #7-32
2460'FNL 1800FWL
Sec. 32 T2S R41W
Cheyenne Co. KS

Dear Dave:

Enclosed is ACO-1 completion report, cement verification tickets, and electric logs on the above referenced well.

Please hold this information CONFIDENTIAL .

Sincerely,

MURFIN DRILLING CO., INC.

By: Barbara Dodson
Engineering Technician

/bd
Enclosures