

ORIGINAL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form ACO-1
September 1999
Form Must Be Typed

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

Operator: License # 33342
Name: Blue Jay Operating, LLC
Address: 4916 Camp Bowie Blvd., Suite 204
City/State/Zip: Fort Worth, TX 76107
Purchaser: Cherokee Basin Pipeline LLC
Operator Contact Person: Jens Hansen
Phone: (817) 546-0034
Contractor: Name: Cherokee Wells, LLC
License: 33539
Wellsite Geologist: NA

Designate Type of Completion:
 New Well Re-Entry Workover
 Oil SWD SLOW Temp. Abd.
 Gas ENHR SIGW
 Dry Other (Core, WSW, Expl., Cathodic, 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./SWD
 Plug Back _____ Plug Back Total Depth _____
 Commingled _____ Docket No. _____
 Dual Completion _____ Docket No. _____
 Other (SWD or Enhr.?) _____ Docket No. _____

11/16/2005	11/17/2005	1/24/2006
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 15-205-26219-0000
County: Wilson
E/W2 NW4 SE4 Sec. 4 Twp. 29 S. R. 14 East West
1975 feet from (S) N (circle one) Line of Section
2310' feet from (E) W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE (SE) NW SW
Lease Name: Pekrul Well #: A-4B
Field Name: Cherokee Basin Coal Gas

Producing Formation: See Perforating Record
Elevation: Ground: 888' Kelly Bushing: _____
Total Depth: 1277' Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at 46' Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set _____ Feet
If Alternate II completion, cement circulated from bottom casing
feet depth to surface w/ 140 _____ sx cmt.
ALT II WITHIN 8-18-06

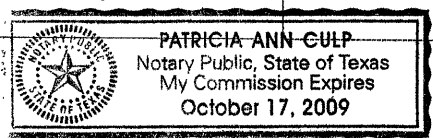
Drilling Fluid Management Plan
(Data must be collected from the Reserve Pit)
Chloride content _____ ppm Fluid volume _____ bbls
Dewatering method used _____
Location of fluid disposal if hauled offsite: _____
Operator Name: _____
Lease Name: _____ License No.: _____
Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West
County: _____ Docket No.: _____

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.

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: *[Signature]*
Title: _____ Date: 3-30-06
Subscribed and sworn to before me this 30 day of March, 2006.
Notary Public: Patricia Ann Culp
Date Commission Expires: 10-17-09

KCC Office Use ONLY
 Letter of Confidentiality Received
If Denied, Yes Date: 4-10-06
 Wireline Log Received
 Geologist Report Received
 UIC Distribution
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Operator Name: Blue Jay Operating, LLC Lease Name: Pekrul Well #: A-4B
 Sec. 42 Twp. 29 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 copy of all Electric Wireline 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Submit Copy)</i> List All E. Logs Run: High Resolution Compensated Density/Neutron Log; Dual Induction Log	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample Name Top Datum Driller's Log Enclosed
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CASING RECORD <input checked="" 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 1/4"	8 5/8"	26	46'	Portland	8	
Long String	6 3/4"	4 1/2"	10.5	1244	Thick Set Cement	140	See Attached

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 (Amount and Kind of Material Used)	Depth
4	906'-909' - Mulky - 12 shots total	Mav Foam carrying 12805 # 16/30 Arizona Sand	
4	972'-974 - Bevier; 991'-993' Crowburg - 16 shots total	MavFoam carrying 12000# 16/30 Arizona Sand	
4	1034'-1036' - Fleming; 1042'-1044' - Mineral - 16 shots total	MavFoam carrying 12000# 16/30 Arizona Sand	
4	1080'-1085' - Weir - 20 shots total	MavFoam carrying 20000# 16/30 Arizona Sand	
		See Attached	

TUBING RECORD	Size <u>2 3/8"</u>	Set At <u>1149'</u>	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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Date of First, Resumerd Production, SWD or Enhr. <u>1/24/06</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 Bbbs. <u>20</u> Gas Mcf <u>50-75</u> Water Bbbs. <u>50-75</u> Gas-Oil Ratio <u> </u> Gravity <u> </u>

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 <input type="checkbox"/> Other (Specify) <u> </u>	Production Interval
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Charlotte Wells, LLC

4916 Camp Bowie Blvd. Ste. 200 - Fort Worth, TX 76107

Contractor License # 33539

817-546-0034/ TX Office; 817-296-6541/Jens Hansen Cell; 817-624-1374/FAX

620-839-5581/ KS Office; 620-432-6170/Jeff Kephart Cell; 620-839-5582/FAX

Rig #:	CW
API #:	15-205-26219-0000
Operator:	Blue Jay Operating LLC
	4916 Camp Bowie Suite 204
	Fort Worth, TX 76107

S 4	T 29S	R 14E
Location:	W2,NW4,SE4	
County:	Wilson	

				Gas Tests			
Well #:	A-4B	Lease Name:	Pekrul	Depth	Pounds	Orifice	flow - MCF
Location:	1975'	ft. from S	Line	930'	5#	1/4"	20.7
	2310'	ft. from E	Line	1005	7.5#	1/4"	26.1
Spud Date:	11/16/2005			1105	10#	1/4"	30.8
Date Completed:	11/17/2005	TD:	1277'	1197'	11#	1/4"	32.4
Geologist:							
Casing Record	Surface	Production					
Hole Size	11 1/4"	6 3/4"					
Casing Size	8 5/8"						
Weight	26#						
Setting Depth	46'						
Cement Type	Portland						
Sacks	8						
Feet of Casing	46'						
Rig Time	Work Performed						

Well Log

Top	Bottom	Formation	Top	Bottom	Formation	Top	Bottom	Formation
0	7	soil / clay	512	576	shale	874	890	oil
7	185	shale	550		inject water	890	899	Summit
185	189	lime	576	641	lime	899	905	lime
189	209	shale	641	704	shale	905	911	Mulky
209	241	lime	704	713	lime	911	914	lime
241	305	shale	713	717	shale	914	921	shale
305	318	lime	717	739	sand	921	953	oil sand
318	338	shale			no show	953	973	sand / shale
338	349	lime	739	808	sand / shale	973	974	coal
349	376	shale	808	810	lime	974	995	sand / shale
376	481	lime	810	811	coal	995	996	coal
481	486	shale	811	817	shale	996	1083	sand / shale
486	490	lime	817	843	Pink lime	1083	1084	coal
490	493	shale			oil	1084	1180	shale
493	512	sand	843	874	shale	1180	1181	coal
		no show - wet	874	890	Oswego lime	1181	1184	shale

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Top	Bottom	Formation	Top	Bottom	Formation	Top	Bottom	Formation
1184	1277	Mississippi lime						
		oil						
1277		Total Depth						

Notes:

05LK-111705-CW-067-Pekrul A-4B-BJO

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CONSOLIDATED OIL WELL SERVICES, INC.

P.O. BOX 884, CHANUTE, KS 66720

620-431-9210 OR 800-467-8676

TICKET NUMBER **07875**

LOCATION EUREKA

FOREMAN Kevin McCoy

TREATMENT REPORT & FIELD TICKET
CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY	
11-18-05	1294	PERUL A-46	4	29S	14E	WILSON	
CUSTOMER							
Blue Jay Operating			Go-Joe Field Service	TRUCK #	DRIVER	TRUCK #	DRIVER
MAILING ADDRESS				445	Rick		
4916 Camp Bowie Blvd. Ste 204				439	Justin		
CITY							
Fortworth							
STATE		TX					
ZIP CODE		76107					

JOB TYPE Longstring HOLE SIZE 6 3/4 HOLE DEPTH 1277' CASING SIZE & WEIGHT 4 1/2 10.5" New

CASING DEPTH 1244' DRILL PIPE _____ TUBING _____ OTHER _____

SLURRY WEIGHT 13.4# SLURRY VOL 42 BBL WATER gal/sk 8.0 CEMENT LEFT in CASING 0'

DISPLACEMENT 19.75 BBL DISPLACEMENT PSI 700 MAX PSI 1200 Bump Plug RATE _____

REMARKS: Safety Meeting; Rig up to 4 1/2 casing. Break circulation w/ 30 BBL fresh water. Pump 4 sks Gel Flush, 10 BBL fresh water, 12 BBL Dye water. Mixed 140 sks Thick Set Cement w/ 5" KOL-SEAL per/sk @ 13.4# per gal yield 1.69. Wash out Pump & lines. Shut down. Release Plug. Displace w/ 19.75 BBL fresh water. FINAL Pumping Pressure 700 PSI. Bump Plug to 1200 PSI. Wait 2 minutes. Release Pressure. Float Held. Shut casing in @ 0 PSI. Good Cement Returns to Surface. = 8 BBL slurry. Job Complete. Rig down.

ACCOUNT CODE	QUANTITY OF UNITS	DESCRIPTION OF SERVICES OR PRODUCT	UNIT PRICE	TOTAL
5401	1	PUMP CHARGE	765.00	765.00
5406	0	MILEAGE 2nd well of 2	0	0
1126 A	140 SKS	Thick Set Cement	13.00	1820.00
1110 A	14 SKS	KOL-SEAL 5" per/sk	16.90	236.60
1118 A	4 SKS	Gel Flush	6.63	26.52
5407	7.7 TONS	Ton Mileage BULK TRUCK	M/C	260.00
4404	1	4 1/2 Top Rubber Plug	38.00	38.00
4156	1	4 1/2 Flapper Valve float shoe	123.00	123.00
4129	1	1 1/2 Centralizer	28.00	28.00
			Sub Total	3297.12
Thank You			SALES TAX 6.3%	143.14
			ESTIMATED TOTAL	3440.26

AUTHORIZATION

Bob M. New

TITLE

DATE

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MAYERICK
STIMULATION COMPANY, LLC

12701 ENERGY RD · FT. MORGAN, CO. 80701 · PH (970) 887-2786 · FAX (970) 887-6022

BLUE JAY OPERATING - FORT WORTH, TEXAS
Coal Seam Frac Project

November 30, 2005

Blue Jay - Pakrul A-4B, Stage D

Mulky (906-909', 4 spf). 12 shots total.

Started pump-in with 504 gal gelled water. Started with 500 gals of 7.5% HCl. Followed with 798 gal gelled water flush. Started treatment with a pad of 5222 gallons of MavFoam C70, followed by 6266 gals of MavFoam C70 carrying 12805 lbs 16/30 Arizona Sand at 1.0 to 3.0 ppg down hole. The treatment was flushed to the top perforation with 605 gal gelled water, then over flushed by 42 gal. A total of 151,000 SCF of N₂ was used.

Started pump-in, STP-30, BH-56. Dump balled 10 gal of 15% HCl. Started acid @ 3.5 bpm, STP-3166, BH-3505. Started Flush, STP-3483, BH-3841. Started Pad, STP-1375, BH-1642; rate was increased to 20 BPM due to falling pressure. Initial FQ was 52. Sand stages are as follows: Start 1#, STP-1459, BH-1525, FQ-71. Start 2#, STP-1496, BH-1579, FQ-73; rate was increased to 22 BPM due to declining pressure. Start 3#, STP-1384, BH-1485, FQ-73. Start Flush, STP-1346, BH-1446, FQ-72. Pad through sand stages were pumped @ 15-22 BPM downhole. FQ averaged 72Q. Max pressure was 4095. Average rate was 20 bpm at 1478 psi surface (1568 psi bottomhole). ISIP was 629 psi; 5 min - 470 psi, 10 min - 451 psi, 15 min - 441 psi.

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STIMULATION COMPANY, LLC

12701 ENERGY RD · FT. MORGAN, CO. 80701 · PH (970) 867-2788 · FAX (970) 867-5922

BLUE JAY OPERATING - FORT WORTH, TEXAS
Coal Seam Frac Project

November 30, 2005

Blue Jay - Pekruki A-4B, Stage C

Bevier (972-974', 4 spf), Crowburg (991-993', 4 spf), 16 shots total.

Started pump-in with 441 gal gelled water. Started with 500 gals of 7.5% HCl. Followed with 655 gal gelled water flush. Started treatment with a pad of 4774 gallons of MavFoam C70, followed by 6000 gals of MavFoam C70 carrying 12000 lbs 16/30 Arizona Sand at 1.0 to 3.0 ppg down hole. The treatment was flushed to the top perforation with 651 gal gelled water, then over flushed by 42 gal. A total of 145,000 SCF of N₂ was used.

Formation broke down at 3775 psi. Started pump-in, STP-116, BH-202. Started acid @ 3.5 bpm, STP-1846, BH-2146. Started Flush, STP-1623, BH-2152. Started Pad, STP-1121, BH-1532; rate was increased to 17 BPM due to falling pressure. Initial FQ was 50. Sand stages are as follows: Start 1#, STP-1528, BH-1621, FQ-72; rate was increased to 18 BPM due to declining pressure. Start 2#, STP-1579, BH-1715, FQ-70. Start 3#, STP-1538, BH-1681, FQ-71. Start Flush, STP-1518, BH-1668, FQ-73. Pad through sand stages were pumped @ 15-18 BPM downhole. FQ averaged 71Q. Max pressure was 3775. Average rate was 17 bpm at 1554 psi surface (1702 psi bottomhole). ISIP was 949 psi; 5 min - 833 psi, 10 min - 820 psi, 15 min - 811 psi.

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BLUE JAY OPERATING - FORT WORTH, TEXAS
Coal Seam Frac Project

November 30, 2005

Blue Jay - Pekruki A-4B, Stage B

Flemming (1034-1036', 4 spf), Mineral (1042-1044', 4 spf), 16 shots total.

Started pump-in with 252 gal gelled water. Started with 300 gals of 7.5% HCl. Followed with 924 gal gelled water flush. Started treatment with a pad of 5320 gallons of MavFoam C70, followed by 6000 gals of MavFoam C70 carrying 12000 lbs 16/30 Arizona Sand at 1.0 to 3.0 ppg down hole. The treatment was flushed to the top perforation with 689 gal gelled water, then over flushed by 42 gal. A total of 150,000 SCF of N₂ was used.

Formation broke down at 3725 psi. Started pump-in, STP-22, BH-48. Started acid @ 3.5 bpm, STP-3862, BH-4057. Started Flush, STP-3213, BH-3401. Started Pad, STP-1217, BH-1564; rate was increased to 18 BPM due to falling pressure and potentially losing pad. Initial FQ was 52. Sand stages are as follows: Start 1#, STP-1450, BH-1537, FQ-73. Start 2#, STP-1490, BH-1606, FQ-73; rate was increased to 19 BPM due to declining pressure. Start 3#, STP-1442, BH-1575, FQ-71. Start Flush, STP-1426, BH-1583, FQ-71. Pad through sand stages were pumped @ 15-19 BPM downhole. FQ averaged 72Q. Max pressure was 3725. Average rate was 18 bpm at 1487 psi surface (1602 psi bottomhole). ISIP was 931 psi; 5 min - 763 psi, 10 min - 736 psi, 15 min - 722 psi.

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BLUE JAY OPERATING - FORT WORTH, TEXAS
Coal Seam Frac Project

November 30, 2005

Blue Jay - Pekrukl A-4B, Stage A

Wier (1080-1085', 4 spf), 20 shots total.

Started with 500 gals of 7.5% HCl. Followed with 798 gal gelled water flush. Started treatment with a pad of 5000 gallons of MavFoam C70, followed by 9750 gals of MavFoam C70 carrying 20000 lbs 16/30 Arizona Sand at 1.0 to 3.0 ppg down hole. The treatment was flushed to the top perforation with 722 gal gelled water, then over flushed by 42 gal. A total of 160,000 SCF of N₂ was used.

Formation broke down at 1350 psi. Started acid @ 3.5 bpm, STP-24, BH-51. Started Flush, STP-1306, BH-1548. Started Pad, STP-1085, BH-1476; rate was increased to 18 BPM due to falling pressure and potentially losing pad. Initial FQ was 55. Sand stages are as follows: Start 1#, STP-1170, BH-1214, FQ-73; rate was increased to 20 BPM due to decreasing pressure. Start 2#, STP-1189, BH-1295, FQ-72. Start 3#, STP-1170, BH-1280, FQ-72; rate was increased to 21 BPM due to declining pressure. Start Flush, STP-1107, BH-1337, FQ-71. Pad through sand stages were pumped @ 15-21 BPM downhole. FQ averaged 72Q. Max pressure was 1350. Average rate was 19 bpm at 1174 psi surface (1292 psi bottomhole). ISIP was 748 psi; 5 min - 656 psi, 10 min - 635 psi, 15 min - 623 psi.

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SUMMARY OF COMPLETION OPERATION

Private & Confidential

Well:	Date:	Workover Day:	Description of Operations	Daily Cost	Cum. Cost
PKWA-4B	1-24-06				
Operator: Blue Jay					
			MTRU Superior Wireline RUN GAMMA VAX TRACTOR HO. 19 DMO.		81,202
			RUN 37 JTS OF 2 3/8 TUBING, LAND AT 1149 RUN 44 3/4 YARDS. SPACE WALK OUT. RDMO		
			37 JTS 2 3/8 TUBING 44 3/4 YARDS 2- 2" SVB 1- 8" SVB		
			2 X 1 1/2 X 7 BRASS PUMP W/PA Pkg.		
				2500	
				4350	
			Well Hook-up Tubing & rods	8000	
			Horton Tool	8355	
			Tank Truck		
			Rental Tank		
			Supervision	700	
			Workover rig (estimate cost hrs. @ \$)	810	
			Daily Total		

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24,715 / 105,917