

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

Form ACO-1
September 1999
Form Must Be Typed

Operator: License # 5822
Name: VAL ENERGY INC.
Address: P.O. BOX 116
City/State/Zip: WICHITA, KS 67201
Purchaser: MACLASKEY
Operator Contact Person: TODD ALLAM
Phone: (316) 263-6688
Contractor: Name: PICKRLL DRILLING CO.
License: 5123
Wellsite Geologist: JON MESSINGER

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. _____

<u>1-23-04</u>	<u>1-31-04</u>	<u>3-9-04</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 077-21,471 - 00-00
County: HARPER
SE NE NE Sec. 10 Twp. 31 S. R. 7 East West
4290 feet from S / N (circle one) Line of Section
330 feet from E / W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: RUSSELL FARMS Well #: 1
Field Name: DUQUIN

Producing Formation: MISS
Elevation: Ground: 1551 Kelly Bushing: 1556
Total Depth: 4475 Plug Back Total Depth: 4456
Amount of Surface Pipe Set and Cemented at 220 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set _____ Feet
If Alternate II completion, cement circulated from _____
feet depth to _____ w/ _____ sx cmt.

Drilling Fluid Management Plan
(Data must be collected from the Reserve Pit)
Chloride content 28,000 ppm Fluid volume 320 bbls
Dewatering method used HAUL CLEAR FLUIDS

Location of fluid disposal if hauled offsite:
Operator Name: VAL ENERGY INC.
Lease Name: SMITH License No.: 5822
Quarter SW Sec. 2 Twp. 31 S. R. 7 East West
County: HARPER Docket No.: D24711

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.

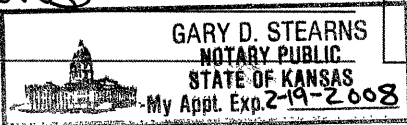
Signature: Todd Allam

Title: PRESIDENT Date: 4-19-04

Subscribed and sworn to before me this 19 day of April,
20 04.

Notary Public: Gary D. Stearns

Date Commission Expires: 2-19-2008



KCC Office Use ONLY

Letter of Confidentiality Received
If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution

Operator Name: VAL ENERGY INC. Lease Name: RUSSELL FARMS Well #: 1
 Sec. 10 Twp. 31 S. R. 7 East West County: HARPER

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 checked="" type="checkbox"/> Yes <input 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: Dual Compensated Porosity Log Dual Induction Log Microresistivity Log Cement Bond Log	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td><input checked="" type="checkbox"/> Log</td> <td>Formation (Top), Depth and Datum</td> <td><input type="checkbox"/> Sample</td> </tr> <tr> <td>Name</td> <td>Top</td> <td>Datum</td> </tr> <tr> <td>Heebner</td> <td>3255</td> <td>-1699</td> </tr> <tr> <td>Stalaker</td> <td>3549</td> <td>-1993</td> </tr> <tr> <td>KC</td> <td>3791</td> <td>-2235</td> </tr> <tr> <td>Swope</td> <td>3930</td> <td>-2374</td> </tr> <tr> <td>Hertha</td> <td>3967</td> <td>-2411</td> </tr> <tr> <td>BKC</td> <td>4031</td> <td>-245</td> </tr> <tr> <td>Pawnee</td> <td>4139</td> <td>-2583</td> </tr> <tr> <td>Cherokee</td> <td>4185</td> <td>-2629</td> </tr> <tr> <td>Miss.</td> <td>4322</td> <td>-2766</td> </tr> <tr> <td>ITD</td> <td>4476</td> <td>-2920</td> </tr> </table>	<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample	Name	Top	Datum	Heebner	3255	-1699	Stalaker	3549	-1993	KC	3791	-2235	Swope	3930	-2374	Hertha	3967	-2411	BKC	4031	-245	Pawnee	4139	-2583	Cherokee	4185	-2629	Miss.	4322	-2766	ITD	4476	-2920
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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	12 1/4	8 5/8	23 LB	220	CLASS A	280	2% GELL 3% OCC
PRODUCTION	7 7/8	5 1/2	14 LB	4475	ASC 60/40	125	4% GEL 5# KC

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 SPF	4322-26 & 4330-33	FRAC - 8,000 LBS 20/40	4322-33

RECEIVED
MAY 10 2004
KCC WICHITA

TUBING RECORD		Size	Set At	Packer At	Liner Run
		2 7/8	4315		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr. 4-5-04			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.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity
	12	75	400		35.0

Disposition of Gas Vented Sold Used on Lease *(If vented, Submit ACO-18.)*

METHOD OF COMPLETION

Open Hole Perf. Dually Comp. Commingled _____

Other (Specify) _____

ALLIED CEMENTING CO., INC.

7924

Federal Tax I.D.#

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

SERVICE POINT:

At Borel

DATE <u>1-23-04</u>	SEC. <u>10</u>	TWP. <u>31</u>	RANGE <u>7</u>	CALLED OUT <u>9:15pm</u>	ON LOCATION <u>12:40AM</u>	JOB START <u>4:45AM</u>	JOB FINISH <u>5:30AM</u>
LEASE <u>Russell Farms</u>	WELL # <u>1</u>	LOCATION <u>Duquoin 1E 15 W.S.</u>			COUNTY <u>Harper</u>	STATE <u>KS</u>	
OLD OR <u>(NEW)</u> (Circle one)							

CONTRACTOR Picknell Drilling # 1
 TYPE OF JOB Surface
 HOLE SIZE 12 1/4 T.D. 225
 CASING SIZE 8 5/8 DEPTH 225
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE _____ DEPTH _____
 TOOL _____ DEPTH _____
 PRES. MAX _____ MINIMUM _____
 MEAS. LINE _____ SHOE JOINT _____
 CEMENT LEFT IN CSG. _____
 PERFS. _____
 DISPLACEMENT 13 1/2

OWNER _____

CEMENT

AMOUNT ORDERED 220 70/30 3/cc 2 1/2 gal.
 used 160 70/30

COMMON	<u>96 net</u>	@	<u>7.15</u>	<u>686.40</u>
POZMIX	<u>64 net</u>	@	<u>3.80</u>	<u>243.20</u>
GEL	<u>3 net</u>	@	<u>10.00</u>	<u>30.00</u>
CHLORIDE	<u>5 net</u>	@	<u>30.00</u>	<u>150.00</u>

EQUIPMENT

PUMP TRUCK CEMENTER A. Weighouse
 # 181 HELPER Barr
 BULK TRUCK
 # 341 DRIVER Don Dimmitt
 BULK TRUCK
 # _____ DRIVER _____

HANDLING	<u>231 net</u>	@	<u>1.15</u>	<u>265.65</u>
MILEAGE	<u>231 net 05</u>		<u>45</u>	<u>519.75</u>

TOTAL 1895.00

REMARKS:

SERVICE

run 8 5/8 w/ long pump, mix
160 sa cement, Deep plug
w/ 13 1/2 BBL water. Cement dead.
run cement in the collar.

DEPTH OF JOB	<u>225</u>		
PUMP TRUCK CHARGE			<u>520.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>45</u>	@	<u>3.50</u> <u>157.50</u>
PLUG <u>Tapwood</u>		@	<u>45.00</u>

Thanks

TOTAL 722.50

CHARGE TO: Val Energy Inc.
 STREET Box 116
 CITY Wichita STATE KS ZIP 67201

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]

PRINTED NAME _____

RECEIVED

MAY 10 2004

KCC WICHITA

ALLIED CEMENTING CO., INC. 14621

Federal Tax I.D

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

SERVICE POINT:
Medicine Lodge

DATE <u>1-24-04</u>	SEC. <u>10</u>	TWP. <u>31S</u>	RANGE <u>7W</u>	CALLED OUT <u>11:00 AM</u>	ON LOCATION <u>1:15 PM</u>	JOB START <u>2:00 PM</u>	JOB FINISH <u>2:15 PM</u>
LEASE <u>Russel Farms</u>		WELL # <u>1-10</u>		LOCATION <u>DuQuoin KS, 1E, 1S, 1/3</u>		COUNTY <u>Harper</u>	STATE <u>KS</u>
OLD OR <input checked="" type="radio"/> NEW (Circle one)							

CONTRACTOR Pickrell Drilling

TYPE OF JOB Top off / surface

HOLE SIZE 12 1/4 T.D. 225

CASING SIZE 8 7/8 x 24 1/2 DEPTH 220'

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT _____

OWNER Val Energy

CEMENT

AMOUNT ORDERED _____

120 5x Class A + 3%.cc

COMMON	<u>120</u>	A	@	<u>7.15</u>	<u>858.00</u>
POZMIX			@		
GEL			@		
CHLORIDE	<u>4</u>		@	<u>30.00</u>	<u>120.00</u>
			@		
			@		
			@		
			@		
HANDLING	<u>124</u>		@	<u>1.15</u>	<u>142.60</u>
MILEAGE	<u>45 x 124 x .05</u>				<u>279.00</u>

TOTAL 1399.60

EQUIPMENT

PUMP TRUCK CEMENTER Carl Balding

343 HELPER Dave Felio

BULK TRUCK

364 DRIVER Daren Franklin

BULK TRUCK

_____ DRIVER _____

REMARKS:

SERVICE

8 7/8 surface casing set + cemented at 530 AM

ON location 1:15 PM cement top 60 feet. Run line + circulate cement to surface w/ 120 5x A+3%.cc

DEPTH OF JOB	<u>60'</u>			
PUMP TRUCK CHARGE				<u>520.00</u>
EXTRA FOOTAGE		@		
MILEAGE	<u>45</u>	@	<u>3.50</u>	<u>157.50</u>
PLUG		@		
		@		

TOTAL 677.50

CHARGE TO: Val Energy

STREET _____

CITY _____ STATE _____ ZIP _____

FLOAT EQUIPMENT

RECEIVED

MAY 10 2004

KCC WICHITA

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	<u>2077.10</u>
DISCOUNT	<u>207.71</u> IF PAID IN 30 DAYS

SIGNATURE Mike Lee

PRINTED NAME _____

**ANY APPLICABLE TAX
WILL BE CHARGED
UPON INVOICING**

ALLIED CEMENTING CO., INC. 15052

Federal Tax I.D.#

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

SERVICE POINT: Med Lodge

DATE <u>1/31/04</u>	SEC <u>10</u>	TWP. <u>31S</u>	RANGE <u>7W</u>	CALLED OUT <u>3:30 AM</u>	ON LOCATION <u>6:50 AM</u>	JOB START <u>4:45 PM</u>	JOB FINISH <u>5:30 PM</u>
LEASE <u>Russell Farms</u>	WELL # <u>1-10</u>	LOCATION <u>Duquoin</u>		COUNTY <u>Harper</u>	STATE <u>KS</u>		
OLD OR NEW (Circle one) <u>NEW</u>				<u>1 E 15 W 5</u>			

CONTRACTOR A Dickrell
 TYPE OF JOB Production
 HOLE SIZE 17 7/8 T.D. 4479
 CASING SIZE 5 1/2 x 14 DEPTH 4470
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE _____ DEPTH _____
 TOOL AFU Insect DEPTH 4456
 PRES. MAX 200 MINIMUM _____
 MEAS. LINE _____ SHOE JOINT 14
 CEMENT LEFT IN CSG. _____
 PERFS. _____
 DISPLACEMENT 108 1/2 BLS 2% KCL water

OWNER Val Energy
 CEMENT
 AMOUNT ORDERED 1000 gals Mud Clean
125 5x ASC + 5# Kpl-seal
25 5x 60-40-4 (Rat + Mouse)
 COMMON A 15 @ 7.15 107.25
 POZMIX 19 @ 3.80 38.00
 GEL 1 @ 10.00 10.00
 CHLORIDE _____ @ _____
Kpl-seal 625# @ .50 312.50
ASC 125 @ 10.55 1318.75
Mud Clean 1000 gals @ .75 750.00
KCL 11 gals @ 22.90 251.90
 HANDLING 192 @ -1.15 220.80
 MILEAGE 192 x 4.5 @ 1.05 192.00

EQUIPMENT
 PUMP TRUCK CEMENTER Justin Hart
 # 572 HELPER Mark Brungardt
 BULK TRUCK DRIVER Darin Franklin
 # 364
 BULK TRUCK DRIVER _____
 # _____

TOTAL ~~3441.20~~
3441.20

REMARKS:
Type on BTM Break Circ
3 BLS Fresh #3 1000 gals Mud Clean
3 BLS Fresh #3
Plug Rat + Mouse 25 5x 60-40-4
125 5x ASC + 5# Kpl-seal @ 14.5
Release Plug Disp 108 1/2 BLS
2% KCL Mud Plug 600-1200#
Release PSI Float Held

SERVICE
 DEPTH OF JOB 4470 1195.00
 PUMP TRUCK CHARGE 1195.00
 EXTRA FOOTAGE _____ @ _____
 MILEAGE 45 @ 3.50 157.50
 PLUG 5 1/2 TRP @ _____ 60.00
 _____ @ _____
 _____ @ _____
 TOTAL 1412.50

CHARGE TO: Val Energy
 STREET _____
 CITY _____ STATE _____ ZIP _____

FLOAT EQUIPMENT
56
AFU Insect @ _____ 235.00
Reg Guide Shoe @ _____ 150.00
5 Centralizers @ 50.00 250.00
7 Scratchers @ 35.00 245.00
 _____ @ _____

TOTAL 880.00

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 Jan L. W. [Signature]

PRINTED NAME _____

RECEIVED
 MAY 10 2004
 KCC WICHITA

ANY APPLICABLE TAX
 WILL BE CHARGED
 UPON INVOICING