

RECEIVED

KANSAS CORPORATION COMMISSION

JAN 07 2002

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form ACO-1
September 1999
Form Must Be Typed

CONSERVATION DIVISION WELL HISTORY - DESCRIPTION OF WELL & LEASE

ORIGINAL

Operator: License # 32776
Name: Peak Energy LLC
Address: Rt 1 Box 174
City/State/Zip: Independence, Ks. 67301
Purchaser: _____
Operator Contact Person: Randy Borum or Henry Boots
Phone: (620) 289-4603
Contractor: Name: Jim Dixon Drilling
License: 8736
Wellsite Geologist: James Craig

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. _____
8-27-01 9-1-01 9-3-01
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 15035241550000
County: Cowley
N/2 NW SW Sec. 8 Twp. 34 S. R. 4 East West
2310 feet from S / (circle one) Line of Section
660 feet from W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Mc Farland Well #: P-2
Field Name: Ark City Gas Area

Producing Formation: _____
Elevation: Ground: 1210' Kelly Bushing: _____
Total Depth: 2750' Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at 204' 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.
ALT I W HM 10-13-06

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.

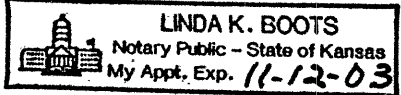
Signature: [Signature]
Title: Manager Date: 12-23-01

Subscribed and sworn to before me this 31 day of December

XX 2001
Notary Public: Linda K. Boots

Date Commission Expires: November 12, 2003

KCC Office Use ONLY
 Letter of Confidentiality Attached
If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution



X

Operator Name: Peak Energy LLC Lease Name: Mc Farland Well #: P-2
 Sec. 8 Twp. 34 S. R. 4 East West County: Cowley

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: <p style="text-align: center;">Com Den Gamma Ray Dual Ind</p>	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample Name Top Datum <p style="text-align: center; font-size: 1.2em;">See attached report</p>
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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"		212'	Regular	115	3% Caclz-1/4 lb
Production	7 7/8"	4 1/2"	95	2711'	Thickset	180	

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
8 shots	2580' - 2584'	3 3/8" scalloped gun	

TUBING RECORD	Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input type="checkbox"/> No
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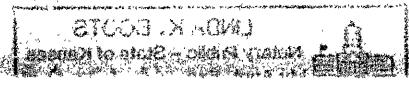
Date of First, Resumed Production, SWD or Enhr. Shut In	Producing Method <input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)
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Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity
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Disposition of Gas Vented Sold Used on Lease *(If vented, Sumit ACO-18.)*

METHOD OF COMPLETION

Production Interval Open Hole Perf. Dually Comp. Commingled Other (Specify) _____



**BLUE STAR
ACID SERVICE, INC.**

PO Box 103
Eureka, Kansas 67045

Cementing Ticket
and Invoice Number

ORIGINAL
N^o 2925

Date 8-28-01	Customer Order No.	Sect. 8	Twp. 34s	Range 4E	Truck Called Out 1:45pm	On Location 4:15pm	Job Began 4:30pm	Job Completed 5:00pm
Owner Peak Energy LLC		Contractor J & M Ock, Co.			Charge To Peak Energy LLC			
Mailing Address RT 1 Box 173		City Independence			State KS.			
Well No. & Form M ^c Farland # P-2		Place Cowley			State Kansas			
Depth of Well 212'	Depth of Job 214'	Casing (New) Size 8 5/8" (Used) Weight	Size of Hole Amt. and Kind of Cement 12 1/4" 115 Sks.		Cement Left in casing by		Request Necessity 20' feet	
Kind of Job Surface Pipe					Drillpipe	(Rotary)		Truck No. Unit # 12
					Tubing	(Cable)		

Price Reference No.	
Price of Job	425.00
Second Stage	
Mileage	135.00
Other Charges	
Total Charges	560.00

Remarks: Rig up to 8 5/8" casing, break circulation with fresh water. Mix 115 Sks Reg. cement w/chemicals, Displace cement with 12 1/2 Bbls water, shut down - close casing in.

RECEIVED Job complete with good cement returns

KANSAS CORPORATION COMMISSION

JAN 07 2002

Cementor: Brad Butler

Helper: Steve - Guy

District: Eureka

State: Kansas

The above job was done under supervision of the owner, operator, or his agent whose signature appears below.

x called by Mike (J & M Ock, Co.)
Agent of contractor or operator

"Thank you"

Sales Ticket for Materials Only

Quantity Sacks	BRAND AND TYPE	PRICE	TOTAL
115	Sks Regular - class "A" cement	7.75	891.25
325	lbs. CACIO 3%	.35	113.75
30	lbs. Floccle 1/4 lb p/sk	1.00	30.00
5% Discount of 101.25			
PAID \$1923.75 w/ check no # 1224			
9-6-01			
Fraser muy			
Plugs	115 Sks Handling & Dumping	.50	57.50
	5.41 Ton Mileage	.60	259.68
	Sub Total		1912.18
	Delivered by Truck No. Unit # 3		
	Delivered from Eureka		
	Signature of operator Brad Butler		
	Sales Tax 5.9%		112.82
	Total		2025.00

**BLUE STAR
ACID SERVICE, INC.**

PO Box 103
Eureka, Kansas 67045

Cementing Ticket
and Invoice Number

ORIGINAL
N^o 2938

Date 9-4-01	Customer Order No.	Sect. 8	Twp. 34s	Range 4E	Truck Called Out —	On Location 6:00am	Job Began 6:30am	Job Completed 7:15am
Owner Peak Energy LLC		Contractor J & M Drk. Co.			Charge To Peak Energy LLC			
Mailing Address RT 1 Box 173		City Independence			State KS.			
Well No. & Form M ^c Farland * P-2		Place Cowley			County Kansas			
Depth of Well 2750'	Depth of Job 2711'	Casing (New) Size 4 1/2" (Used) Weight 9.5	Size of Hole 7 7/8" Amt. and Kind of Cement 180 SKS.		Cement Left in casing by	Request Necessity 0' feet		
Kind of Job Longstring					Drillpipe	(Rotary)		Truck No. Unit # 12
					Tubing	(Cable)		

Price Reference No. _____
 Price of Job 665.00
 Second Stage _____
 Mileage 135.00
 Other Charges _____
 Total Charges 800.00

Remarks: Rig up to 4 1/2" casing, break circulation with 20 Bbls water
 Mix 180 SKS. Thick set cement, shut down washout pump & lines.
 Release Plug, Displace Plug with 43 3/4 Bbls water.
 First pumps at 500 PSI - Bumped Plug to 1000 PSI.
 Check Float - Float Hold - close casing in with 0 PSI.
 RECEIVED
 KANSAS CORPORATION COMMISSION Job complete - Tear down
 JAN 07 2002

Cementor Brad Butler
 Helper Kevin - Gay
 CONSERVATION DIVISION
 District Eureka State Kansas
 The above job was done under supervision of the owner, operator, or his agent whose signature appears below
 x called by Rob (J&M Drk. Co.)
 Agent of contractor or operator
 "Thank you"

Sales Ticket for Materials Only

Quantity Sacks	BRAND AND TYPE	PRICE	TOTAL
180	SKS Thick Set cement	10.75	1935.00
1	4 1/2" AEW Float shoe	110.50	110.50
2	4 1/2" Centralizers	26.00	52.00
1	4 1/2" Top Rubber Plug	35.00	35.00
5% Discount OF 185.20			
Paid \$3518.86 w/ check # 1224			
9-6-01 Russell muy			
Plugs	180 SKS. Handling & Dumping	.50	90.00
	99 Tons Mileage 60	.80	475.20
	Sub Total		3497.70
	Discount		
Delivered by Truck No. Unit # 3	Delivered from Eureka	Sales Tax 5.9%	206.36
Signature of operator Brad Butler	Total		3704.06

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JAN 07 2002

CONSERVATION DIVISION

JAMES R. CRAIG
PETROLEUM CONSULTANT
8432 171ST ROAD
WINFIELD, KS 67156
PH 620-221-0891

ORIGINAL

GEOLOGICAL REPORT

MCFARLAND # P-2
N/2 NW SW
SECTION 8 TWP 34S RGE 4E
COWLEY COUNTY, KS

OPERATOR:	Peak Energy LLC P.O. Box 783 Coffeyville KS 67337
SPUD:	August 27, 2001
LOGGED:	September 3, 2001
TOTAL DEPTH	2750'
CONTRACTOR:	Jim Dixon Drilling Inc. Moline KS
SURFACE CASING:	8 5/8 @ 204'
ELECTRIC LOGGING:	Geo Data Logging Services Skitook, Oklahoma
SURVEYS:	Dual Induction Compensated Density Neutron
DRILLING FLUIDS:	Fud Mud Eldorado KS
ELEVATIONS:	1210' GPS topo
STATUS:	Casing set for further testing

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FORMATION TOPS

All measurements from Kelly bushing
CONSERVATION DIVISION Elevation: 1210' GPS Topo
Electric log measurements

Formation	Depth	Sub-sea
RED EAGLE LIME	572	+638
ADMIRE GROUP	738	+472
ADMIRE SAND	774	+436
HOWARD LIME	1255	-45
SEVERY	1370	-160
TOPEKA LIME	1409	-199
HEEBNER SHALE	1798	-588
UPPER HOOVER SAND	ABSENT	
LOWER HOOVER SAND	1960	-750
HASKELL LIME	1970	-760
IATAN LIME	2102	-892
STALNAKER SAND	2130	-920
LAYTON SAND	2578	-1368

STRUCTURAL COMPARISON

Formation	Peak # P-1 MCFARLAND	Peak # P-1 MCFARLAND
TOPEKA LIME	-173	-199
HEEBNER SHALE	-560	-588
IATAN LIME	-857	-892
STALNAKER SAND	-883	-920
LAYTON SAND	-1343	-1368

SAMPLE DESCRIPTIONS

ZONES OF INTEREST

Admire Sand 774'-780' Sand, lt grey, fine grained, friable, show of gas in samples. Electric logs calculate's 23% porosity, 33% water saturation.

Hoover Sand 1960'-1970' Sand, tan, medium to fine grained, friable, show of gas in samples. Electric logs calculate's 26% porosity, 48% water saturation.

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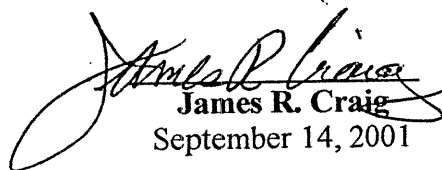
Stalnaker Sand 2078'-2106' Sand, white, medium grained, micaceous, friable, no show.

Layton Sand 2578'-2600' Sand, tan, medium to fine grained, micaceous, friable, stained with a show of gas, free oil, good odor. Electric logs calculate's 21% to 23% porosity, 37% to 44% water saturation.

REMARKS

The # .P-2 McFarland had shows of gas in the Admire sand and Hoover sand. Shows of oil and gas in the Layton sand. Electric log calculations were favorable, therefore casing was run for futhur testing.

Respectfully submitted,


James R. Craig
September 14, 2001