

JAN 07 2002

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form ACO-1
September 1999
Form Must Be Typed

WELL COMPLETION FORM
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: Henry Boots or Randy Borum
Phone: (620) 289-4603
Contractor: Name: Mc Gown Drilling
License: 5786
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. _____

9-21-01 9-24-01 9-26-01
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 035241580000
County: Cowley
NE NW SE Sec. 5 Twp. 34 S. R. 4 East West
3170 feet from ~~SE~~ N (circle one) Line of Section
1650 feet from E ~~NW~~ (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Mc Farland Well #: P-3
Field Name: Whitacre
Producing Formation: Stalneck
Elevation: Ground: 1210' Kelly Bushing: _____
Total Depth: 2260' Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at 300' 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 WITHIN 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: 12-21-01

Subscribed and sworn to before me this 31 day of December,
2001

Notary Public: Linda K. Boots
Date Commission Expires: November 12, 2003

LINDA K. BOOTS
Notary Public - State of Kansas
My Appt. Exp. 11-12-03

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

Operator Name: Peak Energy LLC Lease Name: Mc Farland Well #: P-3
 Sec. 5 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;">Gamma Ray Com Den 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;">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	9 1/8"	7"		215'	Regular	75	3%Caclz
Production	6 1/4"	4 1/2"		2262'	Thick Set	100	

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
17	786' - 794'	slick 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 <input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Sumit ACO-18.)</i>	METHOD OF COMPLETION <input checked="" type="checkbox"/> Open Hole <input checked="" type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____
Production Interval	

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KANSAS CORPORATION COMMISSION

JAN 07 2002

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

ORIGINAL

CONSERVATION DIVISION

GEOLOGICAL REPORT

MCFARLAND P-3
NE NW SE
SECTION 5 TWP 34S RGE 4E
COWLEY COUNTY, KS

OPERATOR:	Peak Energy LLC RR 1 Box 174 Independence KS 67301
SPUD:	September 21, 2001
LOGGED:	September 26, 2001
TOTAL DEPTH	2260'
CONTRACTOR:	McGown Drilling Inc. Mound City KS
SURFACE CASING:	7 inch @300'
ELECTRIC LOGGING:	GeoData, LLC Skiatook, OK
SURVEYS:	Dual Induction Compensated Density Neutron
DRILLING FLUIDS:	Fud Mud Eldorado KS
ELEVATIONS:	1194 GPS topo
STATUS:	Casing set for completion From the Admire sand

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FORMATION TOPS

All measurements from ground
Elevation: 1194 GPS Topo
Electric log measurements

CONSERVATION DIVISION

Formation	Depth	Sub-sea
NEVA LIME	498	+696
RED EAGLE LIME	534	+660
ADMIRE GROUP	700	+494
ADMIRE SAND	776	+418
HOWARD LIME	1212	-18
SEVERY ZONE	1318	-124
TOPEKA LIME	1370	-176
HEEBNER SHALE	1764	-570
HASKELL LIME	1932	-738
IATAN LIME	2060	-866
STALNAKER "A" SAND	2092	-898
STALNAKER "C" SAND	2160	-966

STRUCTURAL COMPARSION

Formation	Peak # 2 Redman	Peak # 1 Redman	Peak # 1 Birdzell
RED EAGLE LIME	+680	+678	+680
ADMIRE GROUP	+515	+510	+510
FALL CITY LIME	+456	+462	+458
TOPEKA LIME	-157	-162	-150
HEEBNER SHALE	-556	-558	-547
HASKELL LIME	-724	-724	-710

**SAMPLE DESCRIPTIONS
ZONES OF INTEREST**

Red Eagle Lime 534'-550': Lime, white, gray, dense to crystalline, fossiliferous. This zone is tite and not of commercial value.

Admire Sand 776'-784': Sand, light gray, fine grained, sub-angular, micaceous, friable. Few Gas bubbles.

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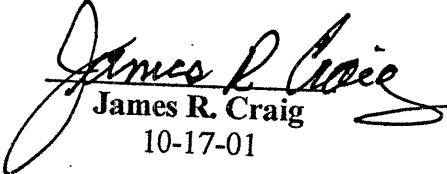
JAN 07 2002

CONSERVATION DIVISION

REMARKS

The structural position of the Peak Energy # P-1 McFarland compares favorably to the Admire gas wells that have produced gas in the immediate vicinity, therefore casing was set for further testing.

Respectfully submitted,


James R. Craig
10-17-01

BLUE STAR ACID SERVICE, INC.

PO Box 103
Eureka, Kansas 67045

Cementing Ticket
and Invoice Number

No 2968

Date	Customer Order No.	Sect.	Twp.	Range	Truck Called Out	On Location	Job Began	Job Completed
9-19-01		5	34s	4E	—	9:00am	9:30am	10:00am
Owner	Contractor		Charge To					
Peak Energy LLC	M ^c Gowan Dng.		Peak Energy LLC					
Mailing Address	City		State					
RT 1 Box 123	Independence		KS					
Well No. & Form	Place	County	State					
M ^c Farland #P-3	Whitacre Field	Cowley	Kansas					
Depth of Well	Depth of Job	Size	Size of Hole	Ans. and Kind of Cement	Cement Left in casing by	Necessity		
215'	205'	7"	9 1/2"	75 sks		15' test		
Kind of Job	Drillpipe		(Rotary)		Truck No.			
Surface Pipe					Unit #12			

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

Remarks: Rig up to 7" casing, break circulation with fresh water.
 Mix 75 sks Reg cement w/ chemicals
 Displace cement with 7% Abbs water
 Shut down, close casing in.
 Job complete with good cement returns
 KANSAS CORPORATION COMMISSION
 JAN 07 2002

Cementor: Brad Butler
 Helper: Steve - Jim District: Eureka State: Kansas
 The above job was done under supervision of the owner, operator, or his agent whose signature appears below.

"Thank you"

* Called by Mike (M^cGowan Dng.)
Agent of contractor or operator

Sales Ticket for Materials Only

Quantity Sacks	BRAND AND TYPE	PRICE	TOTAL
75	SKs Regular - class A cement	7.75	581.25
210	lbs CAC12 32	1.35	283.50
20	lbs Floceke 2 1/2 #/sk	1.00	20.00
<p style="font-size: 1.5em; font-style: italic;">paid w/ 5% Discount</p> <p style="font-size: 1.5em; font-style: italic;">Amount 1,450.41</p> <p style="font-size: 1.5em; font-style: italic;">Check # 1414</p>			
Plugs	75 SKs Handling & Dumping	.50	37.50
	303 Ton #140	.80	169.44
	Sub Total		1441.69
	Discount		
Delivered by Truck No.	Unit #4		
Delivered from	Eureka		
Signature of operator	Brad Butler		
	Sales Tax	5.7%	85.06
	Total		1526.75

ORIGINAL

BLUE STAR ACID SERVICE, INC.

PO Box 103
Eureka, Kansas 67045

Cementing Ticket
and Invoice Number

No. 3001

Date	Customer Order No.	Sect	Twp.	Range	Truck Called Out	On Location	Job Began	Job Completed
9-26-01		5	34s	4e	5:30pm	8:00pm	8:30pm	9:00pm
Owner	Contractor		Charge To					
Peak Energy, LLC	M ^c Gowan Dohy		Peak Energy, LLC					
Mailing Address	City		State					
RT 1 Box 173	Independence		KS					
Well No. & Form	Place	County			State			
M ^c Farland P.3		Cowley			Kansas			
Depth of Well	Depth of Job	Casing (New) (Used)	Size	Weight	Size of Hole Ann. and Kind of Cement	Cement Lost in casing by	Request (Necessity)	
2262	881		4 1/2"		6 1/2"	100 Sks	0 feet	
Kind of Job	Long string				Drillpipe	(Rotary)	Truck No.	
					Tubing	(Cable)	Unit #12	

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 100 Sks fresh water. Mix 100 Sks thick set cement with floccs, shut down washout Pump & hoses - Release Plug - Displace Plug with 14 1/4 Sks water. Final Pumping at 300 PSI - Bumped Plug to 800 PSI. Check Float - Float Held - close casing in with 0 PSI.

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Cementor: Brad Butler
 Helper: Kevin - Guy
 District: CONSERVATION DIVISION State: Kansas
 The above job was done under supervision of the owner, operator, or his agent whose signature appears below.
 called by Mike (M^c Gowan Dohy)
 Agent of contractor/operator
 "Thank you"

Sales Ticket for Materials Only

Quantity Sacks	BRAND AND TYPE	PRICE	TOTAL
100	Sks Thick Set cement	10.75	1075.00
25	lbs. Floccs 1/4 lb. per sk	1.00	25.00
paid w/ 5% Discount Amount \$ 2262.61 check # 1414			
1	4 1/2" Top Rubber Plug	35.00	35.00
	100 Sks Handling & Dumping	.50	50.00
	55 Ton Mileage 60	.80	264.00
	Sub Total		2249.00
	Discount		
	Delivered by Truck No. Unit #3		
	Delivered from Eureka		
	Signature of operator Brad Butler		
	Sales Tax	5.9%	132.69
	Total		2381.69