

CONFIDENTIAL

ORIGINAL

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

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Form ACO-1  
September 1999  
Form Must Be Typed

WELL COMPLETION FORM

AUG 12 2004

WELL HISTORY - DESCRIPTION OF WELL & LEASE KCC WICHITA

Operator: License # 33300  
Name: Evergreen Operating Corporation  
Address: 1401 17th Street, Suite 1200  
City/State/Zip: Denver CO 80202  
Purchaser: \_\_\_\_\_  
Operator Contact Person: Tom Hemler  
Phone: (303) 298-8100 ext 1330  
Contractor: Name: Ensign Drilling Company  
License: 33381  
Wellsite Geologist: Richard Robba, PG

API No. 15 - 121-27809-00-80  
County: Miami  
E2 - SW Sec. 7 Twp. 18 S. R. 24  East  West  
1400 feet from (S) N (circle one) Line of Section  
2000 feet from E (W) (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:  
(circle one) NE SE NW SW  
Lease Name: Peckman Well #: 23-7

Field Name: Forest City Coal Gas Area  
Producing Formation: Cherokee Group

Elevation: Ground: 918 Kelly Bushing: 918  
Total Depth: 868 Plug Back Total Depth: 820  
Amount of Surface Pipe Set and Cemented at 44 Feet  
Multiple Stage Cementing Collar Used?  Yes  No  
If yes, show depth set \_\_\_\_\_ Feet  
If Alternate II completion, cement circulated from 44  
feet depth to Surface w/ 15 sx cmt.

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

Chloride content NA ppm Fluid volume 500 bbls  
Dewatering method used trucked to disposal well

Location of fluid disposal if hauled offsite: \_\_\_\_\_

Operator Name: Evergreen Operating Corporation

Lease Name: Medlin 23-20 WD License No.: 33300

Quarter SW Sec. 20 Twp. 18 S. R. 23  East  West

County: Miami Docket No.: D28257

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. \_\_\_\_\_

04/16/2004 4/18/2004 WOCU

Spud Date or 04/16/2004 Date Reached TD 4/18/2004 Completion Date or WOCU Recompletion Date 4/18/2004

**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: Wm A. Wagner

Title: Director of Engineering Date: 7/20/2004

Subscribed and sworn to before me this 22 day of July

2004

Notary Public: Aari-Ann Waite

Date Commission Expires: Feb 13, 2005

KCC Office Use ONLY

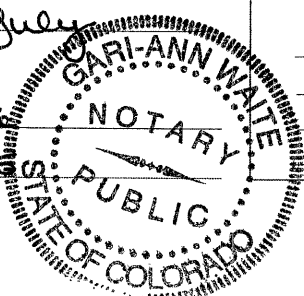
Letter of Confidentiality Attached

If Denied, Yes  Date: \_\_\_\_\_

Wireline Log Received

Geologist Report Received

UIC Distribution



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Side Two

KCC WICHITA

Operator Name: Evergreen Operating Corporation Lease Name: Peckman Well #: 23-7
Sec. 7 Twp. 18 S. R. 24 [x] East [ ] West County: Miami

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 [ ] Yes [x] No (Attach Additional Sheets)
Samples Sent to Geological Survey [x] Yes [ ] No
Cores Taken [ ] Yes [x] No
Electric Log Run [x] Yes [ ] No (Submit Copy)

List All E. Logs Run:
SI, CNL, CBL

Table with 3 columns: Name, Top, Datum. Rows include Stark Shale, B/Kansas City, Altamount, Summit, Excello, Vshale, Tebo Shale, Mississippi.

CASING RECORD table with columns: 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. Rows for Surface and Production.

ADDITIONAL CEMENTING / SQUEEZE RECORD table with columns: Purpose, Depth Top Bottom, Type of Cement, #Sacks Used, Type and Percent Additives.

PERFORATION RECORD - Bridge Plugs Set/Type table with columns: Shots Per Foot, Specify Footage of Each Interval Perforated, Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used), Depth. Includes KCC JUL 22 2004 CONFIDENTIAL stamp.

TUBING RECORD table with columns: Size, Set At, Packer At, Liner Run [ ] Yes [ ] No.
Date of First, Resumerd Production, SWD or Enhr. WOCU
Producing Method [ ] Flowing [ ] Pumping [ ] Gas Lift [ ] Other (Explain)
Estimated Production Per 24 Hours Oil Bbls. 0 Gas Mcf Water Bbls. Gas-Oil Ratio Gravity

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)

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**BLUE STAR ACID SERVICE, INC.**

PO Box 103  
Eureka, Kansas 67045

KCC WICHITA  
Cementing Ticket and Invoice Number **Nº 5454**

Date <b>4-18-04</b>	Customer Order No.	Sect. <b>7</b>	Twp. <b>18</b>	Range <b>24</b>	Truck Called Out <b>2:00 pm</b>	On Location <b>5:30 pm</b>	Job Began <b>8:00 pm</b>	Job Completed <b>9:00 am</b>
Owner <b>Evergreen Operating Corp.</b>		Contractor <b>ENCORE Rig 234</b>			Charge To <b>Evergreen Operating Corporation</b>			
Mailing Address <b>2515 EAST LOGAN</b>		City <b>OTTAWA</b>			State <b>Ks 66067</b>			
Well No. & Form <b>Peckman 23-7</b>		Place <b>Miami</b>			County <b>Ks</b>			
Depth of Well <b>868'</b>	Depth of Job <b>865'</b>	Casing <input checked="" type="checkbox"/> Used	Size <b>5 1/2</b>	Weight <b>15.5</b>	Size of Hole Amt. and Kind of Cement <b>170</b>	Cement Left in casing by	Request <b>44</b>	test
Kind of Job <b>long string</b>					Drillpipe	Cable	Rotary	Truck No. <b># 21</b>

Price Reference No. **# 1**

Price of Job **1065.00**

Second Stage \_\_\_\_\_

Mileage **90** **2825.50**

Other Charges \_\_\_\_\_

Total Charges **3867.50**

Remarks Safety meeting, Rig up to 5 1/2 casing, wash down 10' to T.D. of 868' wash for 30 min to clean hole. set casing at 865'. Rig up cement head. Break circulation w/ 10 bbl DYE water mix 170 SK's 60/40 Pozmix cement w/ chemical at 13.3# per gallon. Shut down wash out pump + lines, Release 5 1/2 hatch down plug Displace w/ 19 3/4 bbl Fresh water at 3 RPM Final Pump PSI was 250# Bore Plug to 1500' check float, float did not hold. Re Pump Plug to 1700' check Plug Plug held good. good Cement Returns to surface @ 8 bbl slurry TEST Down

Cementer Russell Mcloy Date Ks

Helper MIKE Justin District Eureka

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

*Jul D. Dorn*  
Agent of contractor or operator

Sales Ticket for Materials Only **KCC**

Quantity Sacks	BRAND AND TYPE	PRICE	TOTAL
170	SK's 60/40 Pozmix	6.75	1147.50
850	Gilsonite 5# per SK	.30	255.00
290	CaCl2 2%	.35	101.50
580	Gel 4%	9.50	55.10
42	ColoFLAKE 1/4 # per SK	1.00	42.00
30	FL-110Z Fluid Loss) 2 1/10" 1% by w# cement	5.50	165.00
<b>CONFIDENTIAL</b>			
NOTE (hatch Down Plug. Furnished By Customer)			
Plugs	170 SK's Handling & Dumping	50	85.00
	7.9 ton Mileage 96	80	526.32
	Delivered by <b>4 29</b>	Sub Total	3,244.92
	Delivered from <b>Eureka</b>	Discount	
	Signature of operator <b>Russell mclw</b>	Sales Tax	1655%
		Total	3,457.46

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Chip Sample Coal and Coal Shale Intersections

Net Coals(ft) < 1.75 g.cc		Net Coals(ft) < 2.00 g.cc		Net Carbonaceous Shale (ft)	
Name	Depth	Name	Depth	Name	Depth
Mulberry	322-324	Bevier	513.8-515.2	Stark Shale	58-60
Mineral	555.9-557.7	V Coal	532.6-533.1	Hushpuckney	85-87
Tebo	592.8-594.1			Dawson	263-265
Rowe E	703.2-705			Lexington	359.3-360.2
Riverton	728-729.6			Summit	407.4-408.5
				Excello	427.9-429
				Bluejacket B	648-649

Cumulative Net Thickness Geophysical Density Survey

Net Coals (ft) < 1.75 g.cc	Net Coals (ft)>1.75g.cc < 2.00 g.cc	Net Carbonaceous Shale (ft)
8.5'	2.9'	10.1'

Conventional Oil and Gas Shows

128-138 Knobstown Sandstone: SANDSTONE: v fn gn, sub rnd, f sorted, some pcs friable and clean, pred shly and mica matrix, no gas kick or show.

316-320 Peru 2 Sandstone: SANDSTONE: fn gn, sub rnd, f-gd sorting, calc cement, yp inter gn por, poor sample, gas kick 1428 units, gas kick probably from Mulberry Coal.

454-498 Squirrel Sandstone: SANDSTONE: pred loose med size gns, f sorting, sub rnd to rnd clr gns, many gns greasy apper, occ gas bubble attached to gn or rare cluster, excel por, some sdy, mica siltstone, 70-204 u conn gas inc.

Respectfully submitted,

Richard A. Robba, PG  
 Director of Operations  
 Professional Energy Services

**Professional Energy Services**  
9402 Kessler Lane  
Shawnee Mission, KS 66212  
Ph.913.341.7434

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KCC WICHITA

GEOLOGICAL REPORT

Operator: **EVERGREEN OPERATING CORPORATION**  
Project: Lancaster Well Name: Peckman 23-7  
Location: E/2 SW - 1,400' FSL & 2,000' FWL  
Sec. 7-18S-24E County: Miami State: Kansas  
All measurements GL: 918' API: 15-121-27809-00-00  
Company: Sr. Operations Engineer: Mr. Tom Erwin  
Company: Geologist: Mr. Paul Clarke  
Professional Energy Services: Geologist: Rich Robba  
Crown: Drilling Superintendent: Fred O'Doan  
Patterson Logging: Engineer: Roger Taylor  
Drilling Contractor: Layne Christensen Company  
Geosearch Logging: Mudloggers: George/Nathan Barnes  
Commenced: 04/16/04 Completed: 04/18/04

KCC  
JUL 22 2004  
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This geological report is prepared for **EVERGREEN OPERATING CORPORATION**. Wellsite geological supervision was conducted from surface to Total Depth. The Peckman 23-7 was air drilled to TD. ROP, gas curves and sample descriptions from air rotary chips are recorded on the mud log and the geophysical survey formation tops and coal intersections are listed below.

Peckman 23-7

This well is a development well for the Lancaster pilot project.

Formation Sample Tops

Stark Shale:	58'	V Shale:	531'
B/Kansas City:	101'	Tebo Shale:	592'
Altamount:	306'	Mississippi:	740'
Summit:	407'	RTD:	868'
Excello:	428'	LTD:	858'