

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 # 6373
Name: Bailey, Gene M.
Address: Box 446
City/State/Zip: Neodesha, Ks. 66757
Purchaser: Crude Marketing
Operator Contact Person: Gene M. Bailey
Phone: (620) 325-2635
Contractor: Name: L&S Well Service
License: 33374
Wellsite Geologist: _____

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. _____

9-18-06 9-19-06 9-19-06
Spud Date or Date Reached TD Completion Date or Recompletion Date

API No. 15 - 205-26951-0000
County: Wilson
NE-SW-SW Sec 18 Twp. 30 S. R. 16 East West
780 feet from S N (circle one) Line of Section
700 feet from E W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW

Lease Name: Laverty Well #: 18
Field Name: Neodesha

Producing Formation: Cherokee (Bartleville)
Elevation: Ground: 800 Kelly Bushing: _____

Total Depth: 1000 Plug Back Total Depth: _____

Amount of Surface Pipe Set and Cemented at 22' 7" Feet

Multiple Stage Cementing Collar Used? Yes No

If yes, show depth set _____ Feet

If Alternate II completion, cement circulated from 0

feet depth to 1000 w/ 146 sx cmt.

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: Partner Date: 12-18-06

Subscribed and sworn to before me this 18 day of December

2006

Notary Public: Patricia B Bailey

Date Commission Expires: 02/09/2007

KCC Office Use ONLY
 Letter of Confidentiality Received
If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution
RECEIVED
DEC 21 2006

PATRICIA B. BAILEY
Notary Public - State of Kansas
My Appt. Expires 02/09/2007

KCC WICHITA

Operator Name: 6373 Bailey&Bailey Lease Name: Laverty Well #: 18
 Sec. 18 Twp. 30 S. R. 16 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 (Attach Additional Sheets) 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 (Submit Copy) List All E. Logs Run: Gamma Ray- Nuetron | <input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample Name Top Datum Cherokee/Bartlesville <div style="text-align: right;"> 853 857 879 886 </div> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

| CASING RECORD <input 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 | 7 | 7" | 10 | 22.7 | Portland 20 | | |
| Production | 5 1/2 | 2 1/4" | 10 | 146 990 | OWC | 146 990 | |

| 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 |
|----------------|-------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|--|-------|
| | | | | |
| 1 | 880-887 | 50 gal. HCL | | 860 |
| | | | | |
| | | | | |

| | | | | | |
|--------------------------------------------------|-----------|---------|----------------------------------------------------------------------------------------------------------------------------------------------|---------------|--------------------------------------------------------------------|
| TUBING RECORD | | Size | Set At | Packer At | Liner Run <input type="checkbox"/> Yes <input type="checkbox"/> No |
| | | 1 | 972 | | |
| Date of First, Resumerd Production, SWD or Enhr. | | | Producing Method | | |
| 10-21-06 | | | <input type="checkbox"/> Flowing <input 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 |
| | 1 | | 10 | | 37.0 |

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

METHOD OF COMPLETION Open Hole Perf. Dually Comp. Commingled Other (Specify) _____

Production Interval _____

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KCC WICHITA

L & S Well Service LLC
 543A 22000 Road
 Cherryvale, Ks. 67335-8515

10-2-06
 1/4
 5088

Invoice

| | |
|-----------|-----------|
| Date | Invoice # |
| 9/20/2006 | 1372 |

| |
|------------------------------------------------------------------------------------------------------|
| Bill To |
| Bailey Oil Company, Inc. <i>Bailey & Bailey JT Venture</i> P.O. Box 446 Neodesha KS, 66757 |

| |
|-------------------------------------------------------------------------------|
| Lease Name & Number |
| Laverty # 18 S18 T 30 R 16E Wilson Co., Ks. API # 15-205-26951-00-00 |

| | |
|------------|---------|
| Due Date | Project |
| 10/20/2006 | |

| Description | Qty | Rate | Amount |
|------------------------------------------------------------------------------------|-----|--------|----------|
| 09-18-06 Drilled 1 1/2" hole and set 22' OF 7" Surface Casing-cemented by others.. | 22 | 15.00 | 330.00 |
| D7 Dozer dug pit. | 1 | 330.00 | 330.00 |
| 09-19-06 Drilled 5 1/2" hole to 1000.' T.D. (940-1000' no charge) | 940 | 7.00 | 6,580.00 |
| Ran in production casing. | 1 | 450.00 | 450.00 |
| Ran in surface casing & set it in river gravel. | 1 | 375.00 | 375.00 |

| | | |
|-----------------------------------|-------------------------|------------|
| Thank you for your good business. | Subtotal | \$8,065.00 |
| | Total | \$8,065.00 |
| | Payments/Credits | \$0.00 |
| | Balance Due | \$8,065.00 |

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L S WELL SERVICE, LLC #33374
543A 22000 Road
Cherryvale, Kansas 67335-8515

DRILLER LOG
BAILEY OIL CO.

Lavery #18
API#15-205-26951-00-00
WILSON CO, KS
S18, T30, R16E

0-5 DIRT
5-15' RIVER GRAVEL
15-190 SHALE
190-220 LIME
220-270 SANDY SHALE
270-290 SHALE
290-312 LIME
312-354 SHALE
354-470 LIME WITH SHALE STREAKS
470-500 SHALE
500-540 GRAY SAND
540-590 SANDY SHALE
590-612 LIME PINK
612-655 SANDY SHALE
655-680 LIME OSWEGO
680-685 BLACK SHALE
685-700 LIME
700-705 BLACK SHALE W/COAL
705-710 LIME
710-745 SHALE
745-749 COAL
749-719 SHALE
719-721 LIME
721-725 BLACK SHALE
725-853 SANDY SHALE
853-857 SAND OIL
857-879 SHALE
879-886 SAND OIL
886-937 SHALE
937-940 COAL
940-1000 SHALE

T.D. 1000'

9-18-06 DRILLED 11" HOLE AND
SET 22' OF 7" SURFACE PIPE
Cemented by someone else

9-19-06 STARTED DRILLING 5 1/2"
HOLE

9-19-06 FINISHED DRILLING TO T.D.1000'

855' OIL ON PIT
872 STREAK OIL

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DEC 21 2005
KCC WICHITA

KEPLEY WELL SERVICE CEMENTING

19245 Ford Road
Chanute, KS 66720

(620) 431-9212

Mobile (620) 431-8945

FED # 48-1103536

Bailey & Bailey Joint Venture

Box 446

Neodesha, KS 66757

| Date | Invoice |
|-----------|---------|
| 9/27/2006 | 520 |

| | |
|------------|----------------|
| Date: | 9-21-06 |
| Well Name: | Lavery #18 |
| Section: | 18 |
| Township: | 30 |
| Range: | 6 |
| County: | Wilson |
| API: | 205-26951-0000 |

CEMENT TREATMENT REPORT

| | |
|---------------------------|-------------------|
| TYPE OF TREATMENT: | Production Casing |
| HOLE SIZE: | 5 1/2 |
| TOTAL DEPT: | 1000 |
| WIRE LINE READING BEFORE: | |
| WIRE LINE READING AFTER: | |

| |
|----------------------------------------------------------------------|
| <input checked="" type="checkbox"/> Landed Plug on Bottom at 800 PSI |
| <input checked="" type="checkbox"/> Shut in Pressure 800 |
| <input type="checkbox"/> Lost Circulation |
| <input checked="" type="checkbox"/> Good Cement Returns |
| <input type="checkbox"/> Topped off well with _____ Sacks |
| <input type="checkbox"/> Set Float Shoe - Shut In |

| Service or Product | Quantity | Per Foot Pricing/Unit Pricing | Amount |
|--------------------|----------|-------------------------------|-----------|
| 2 7/8 | 990 | 3.00 | 2,970.00T |

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Hooked onto 2 7/8" casing. Established circulation with 6 barrels of water, 4 GEL, 1 METSO, 1 COTTON ahead, blended 146 sacks of OWC cement, dropped rubber plug, and pumped 6 barrels of water.

| | |
|-------------------------|------------|
| Subtotal | \$2,970.00 |
| Sales Tax (7.3%) | \$216.81 |
| Balance Due | \$3,186.81 |

10-2-06

V# 5081

PLEY WELL SERVICE CEMENTING

19245 Ford Road
Chanute, KS 66720

(620) 431-9212
Mobile (620) 431-8945
FED # 48-1103536

Bailey & Bailey Joint Venture
Box 446
Neodesha, KS 66757

| Date | Invoice |
|-----------|---------|
| 9/27/2006 | 521 |

Date: 9-21-06
 Well Name: Lavery #18
 Section: 18
 Township: 30
 Range: 6
 County: Wilson
 API: 205-26951-0000

CEMENT TREATMENT REPORT

TYPE OF TREATMENT: Surface Pipe
 HOLE SIZE:
 TOTAL DEPT: 20 ft
 WIRE LINE READING BEFORE:
 WIRE LINE READING AFTER:

- Landed Plug on Bottom at PSI
- Shut in Pressure
- Lost Circulation
- Good Cement Returns
- Topped off well with _____ Sacks
- Set Float Shoe - Shut In

| Service or Product | Quantity | Per Foot Pricing/Unit Pricing | Amount |
|--------------------|----------|-------------------------------|-----------|
| 7" | 20 | 75.00 | 1,500.00T |

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 KCC WICHITA

Hooked onto ----- casing. Established circulation with -- barrels of water, -- GEL, --- METSO, -- COTTON ahead, blended 21 sacks of OWC cement, and pumped 3/4 barrels of water.

| | |
|-------------------------|------------|
| Subtotal | \$1,500.00 |
| Sales Tax (7.3%) | \$109.50 |
| Balance Due | \$1,609.50 |

UNITED OIL WELL SERVICES, INC.
 884, CHANUTE, KS 66720
 1-9210 OR 800-467-8676

2nd well

TICKET NUMBER 41982
 FIELD TICKET REF # 29862
 LOCATION Thayer
 FOREMAN Brett Busby

**TREATMENT REPORT
 FRAC & ACID**

| DATE | CUSTOMER # | WELL NAME & NUMBER | SECTION | TOWNSHIP | RANGE | COUNTY |
|----------|------------|--------------------|---------|----------|-------|--------|
| 10-20-06 | | Loverty # 18 | 18 | 30S | 16E | WL |

CUSTOMER
Bailey Oil Co.

MAILING ADDRESS

CITY STATE ZIP CODE

| TRUCK # | DRIVER | TRUCK # | DRIVER |
|----------------|---------|---------|--------|
| 476 | Dustin | | |
| 449 | Jake | | |
| 490 | Brandon | | |
| 482 | Randy | | |
| 921 | Danny | | |
| 989T103 | George | | |

WELL DATA

CASING SIZE TOTAL DEPTH

CASING WEIGHT PLUG DEPTH

TUBING SIZE 2 7/8 8EUE PACKER DEPTH

TUBING WEIGHT OPEN HOLE

PERFS & FORMATION

~~880-87~~ 880-87 Bartlesville

TYPE OF TREATMENT

Acid spot - frac

CHEMICALS

KCl SUB

Acid

Breaker

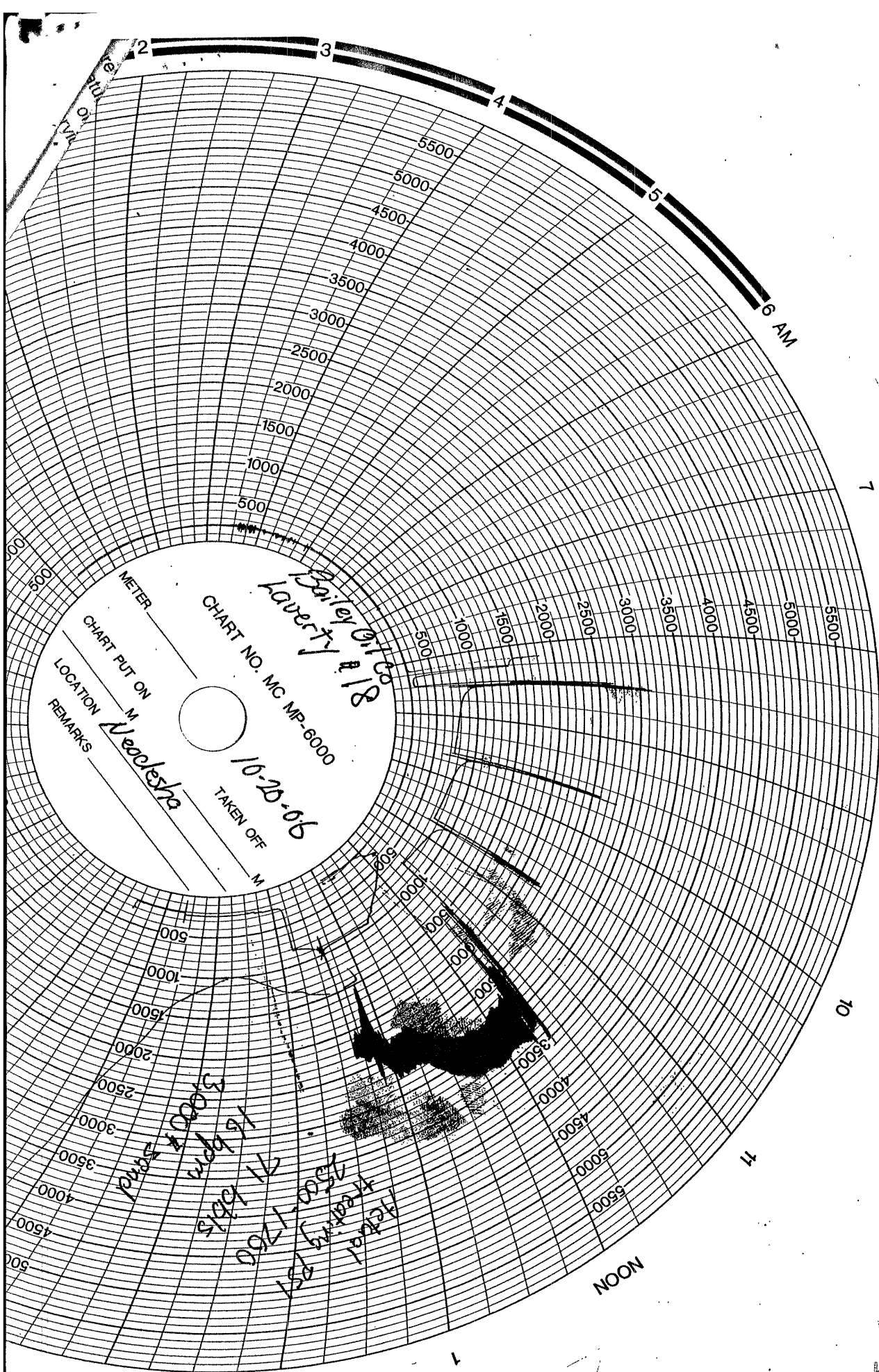
| STAGE | BBL'S PUMPED | INJ RATE | PROPPANT PPG | SAND / STAGE | PSI | |
|------------------|--------------|-----------|----------------|---------------|-------------|--------------------------------|
| <u>PAD</u> | <u>10</u> | <u>16</u> | | | <u>2500</u> | <u>BREAKDOWN 1500</u> |
| <u>20-40</u> | | <u>16</u> | <u>.25-1.0</u> | | <u>2500</u> | <u>START PRESSURE</u> |
| <u>20-40</u> | | | <u>↓</u> | <u>↓</u> | <u>2400</u> | <u>END PRESSURE</u> |
| <u>20-40</u> | | | <u>1.5</u> | <u>500#</u> | <u>↓</u> | <u>BALL OFF PRESS</u> |
| <u>12-20</u> | | | <u>1.5</u> | <u>↓</u> | <u>2000</u> | <u>ROCK SALT PRESS</u> |
| <u>12-20</u> | | | <u>2.0</u> | <u>↓</u> | <u>↓</u> | <u>ISIP <u>6.25</u></u> |
| <u>12-20</u> | | | <u>2.5</u> | <u>2500#</u> | <u>1700</u> | <u>5 MIN</u> |
| | | | | | <u>↓</u> | <u>10 MIN</u> |
| <u>FLUSH</u> | <u>5</u> | <u>16</u> | | | <u>↓</u> | <u>15 MIN</u> |
| <u>OVERFLUSH</u> | <u>5</u> | <u>16</u> | <u>TOTAL</u> | <u>3,000#</u> | <u>1700</u> | <u>MIN RATE <u>16</u></u> |
| | | | <u>SAND</u> | | | <u>MAX RATE <u>16</u></u> |
| <u>TOTAL</u> | <u>71</u> | | | | | <u>DISPLACEMENT <u>5.2</u></u> |

REMARKS: spot 75 gal. - 15% HCl acid on perfs

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Location 2:30PM - 3:00PM 20 miles

AUTHORIZATION _____ TITLE _____ DATE 10-20-06



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