

CONFIDENTIAL

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

ORIGINAL

Operator: License # 33138
Name: Meritage KCM Exploration, LLC
Address: 1600 Broadway, Suite 1360
City/State/Zip: Denver, Colorado 80202
Purchaser: _____
Operator Contact Person: Jeff Vaughan
Phone: (303) 832-7463
Contractor: Name: MOKAT
License: 5831
Wellsite Geologist: Larry Weis

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Designate Type of Completion:
 New Well Re-Entry Workover
 Oil SWD SIOW 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. _____

| | | |
|-----------------------------------|-----------------|---|
| 9-25-03 | 9-26-03 | 10-8-03 |
| Spud Date or Recompletion Date | Date Reached TD | Completion Date or Recompletion Date |

API No. 15 - 003-24236-00-00
County: Anderson
_____ - _____ - nw - ne Sec. 26 Twp. 19 S. R. 19 East West
1300 feet from S N (circle one) Line of Section
2310 feet from E W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Kueser Well #: 26-31
Field Name: FCBCA

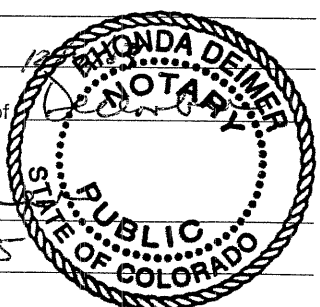
Producing Formation: Cherokee Coals
Elevation: Ground: 989' Kelly Bushing: _____
Total Depth: 1233' Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at 22 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set _____ Feet
If Alternate II completion, cement circulated from _____
feet depth to ALTO II W/ 2-7-07 sx cmt.

Drilling Fluid Management Plan
(Data must be collected from the Reserve Pit)
Chloride content _____ ppm Fluid volume _____ bbls
Dewatering method used KANSAS CORPORATION COMMISSION
Location of fluid disposal if hauled offsite: **DEC 09 2003**
Operator Name: _____
Lease Name: _____ License WICHITA, KS
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: Production Manager Date: 12-18-2003
Subscribed and sworn to before me this 4th day of December
2003
Notary Public: Rhonda Deimer
Date Commission Expires: 2-18-2005



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

CONFIDENTIAL Side Two

ORIGINAL

Operator Name: Meritage KCM Exploration, LLC Lease Name: Kueser Well #: 26-31
Sec. 26 Twp. 19 S. R. 19 East West County: Anderson

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 <i>(Attach Additional Sheets)</i> | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Log | Formation (Top), Depth and Datum | Sample |
| Samples Sent to Geological Survey | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Name | Top | Datum |
| Cores Taken | Yes <input checked="" type="checkbox"/> No | Mulberry | 672 | +317 |
| Electric Log Run <i>(Submit Copy)</i> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | Little Osage Shale | 752 | +237 |
| List All E. Logs Run: | | Fleming | 894 | +95 |
| High Resolution Compensated Density Neutron | | Scammon | 936 | +53 |
| Dual Induction SFL/GR | | Weir Pitt | 970 | +19 |
| Gamma Ray Cement Bond/VDL CCL | | | | |

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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" | 32# | 22' | Portland | 4 | |
| Production | 7-7/8" | 5-1/2" | 17# | 1211' | Thick Set | 165 | 8# Coal Seal/sk |
| | | | | | | | 1/8# Flocele |

| 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 | | | | |

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| Shots Per Foot | PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated | Acid, Fracture, Shot, Cement Squeeze Record <i>(Amount and Kind of Material Used)</i> | Depth |
|----------------|---|--|-------|
| 4 | 1150' - 1151.5' | Broke down perms with 15% HCl acid. | |
| 4 | 1143.5' - 1146' | Frac w/ 2,216 bbls water and 9,800# | |
| 4 | 1137' - 1140' | 10/20 sand. | |
| | | | |
| | | | |

| | | | | |
|--|---|-----------------|------------------|--|
| TUBING RECORD | Size 2-7/8" | Set At 1137' | Packer At N/A | Liner Run Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| Date of First, Resumed Production, SWD or Enhr. De-watering | Producing Method Flowing <input type="checkbox"/> Pumping <input checked="" type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain) <input type="checkbox"/> | | | |
| Estimated Production Per 24 Hours | Oil Bbls. | Gas Mcf | Water Bbls. | Gas-Oil Ratio Gravity |

Disposition of Gas: Vented Sold Used on Lease Open Hole Perf. Dually Comp. Commingled Other (Specify) _____

METHOD OF COMPLETION: _____

Production Interval: _____

Air Drilling
Specialist
Oil and Gas Wells



M.O.K.A.T. DRILLING
Office Phone: (620) 879-5377



P.O. Box 590
Caney, KS 67333

| | | | | | | | | | | | | | | | |
|----------|------------------------------|-------------|---------------|-------|------------|-----------|-------------|-------|---------------|---------|------|--------------|---------|----------------|---------|
| Operator | MERITAGE KCM EXPLORATION LLC | Well No. | 26-31 | Lease | KUESER | Loc. | 1/4 1/4 1/4 | Sec. | 26 | Twp. | 19 | Rge. | 19E | | |
| | | County | ANDERSON | State | KS | Type/Well | | Depth | 1233' | Hours | | Date Started | 9-25-03 | Date Completed | 9-26-03 |
| Job No. | | Casing Used | 22' OF 8 5/8" | | Bit Record | | | | Coring Record | | | | | | |
| Driller | TOOTIE | Cement Used | | | Bit No. | Type | size | From | To | Bit No. | type | Size | From | To | % Rec. |
| Driller | | Rig No. | 1 | | | | 7 7/8" | | | | | | | | |
| Driller | | Hammer No. | | | | | | | | | | | | | |

Formation Record

| From | To | Formation | From | To | Formation | From | To | Formation | From | To | Formation |
|------|-----|---------------------|------|------|---------------------|------|------|--------------------|------|----|-----------|
| 0 | 5 | OVERBURDEN | 438 | 465 | SANDY SHALE / SAND | 1000 | 1074 | SHALE | | | |
| 5 | 20 | SHALE | 465 | 580 | SAND | 1074 | 1084 | SAND | | | |
| 20 | 28 | LIME | 580 | 605 | SANDY SHALE | 1084 | 1109 | SAND / SANDY SHALE | | | |
| 28 | 40 | SHALE | 605 | 626 | LIME | 1109 | 1111 | COAL | | | |
| 40 | 70 | LIME | 626 | 672 | SHALE | 1111 | 1115 | SANDY SHALE | | | |
| 70 | 235 | SANDY SHALE / SHALE | 672 | 674 | COAL | 1115 | 1130 | SHALE | | | |
| 235 | 261 | LIME | 674 | 679 | SHALE | 1130 | 1133 | COAL | | | |
| 261 | 265 | BLACK SHALE | 679 | 684 | LIME | 1133 | 1177 | SHALE | | | |
| 265 | 277 | GREY SANDY SHALE | 684 | 703 | SHALE | 1177 | 1198 | SAND | | | |
| 277 | 278 | COAL | 703 | 706 | LIME | 1198 | 1233 | LIME MISSISSIPPI | | | |
| 278 | 284 | SANDY SHALE / SAND | 706 | 723 | SHALE | | | | | | |
| 284 | 291 | LIME / SANDY LIME | 723 | 745 | LIME / LIMEY SHALE | | | T'D 1233' | | | |
| 291 | 298 | SHALE | 745 | 751 | SHALE | | | | | | |
| 298 | 311 | SANDY SHALE / SAND | 751 | 752 | LIME | | | | | | |
| 311 | 318 | LIME | 752 | 753 | LIME / LIMEY SHALE | | | | | | |
| 318 | 330 | SHALE | 753 | 758 | BLACK SHALE | | | | | | |
| 330 | 346 | LIME | 758 | 778 | GREY SHALE | | | | | | |
| 346 | 354 | SHALE | 778 | 784 | BLACK SHALE | | | | | | |
| 354 | 384 | LIME | 784 | 787 | SANDY SHALE | | | | | | |
| 384 | 390 | SHALE | 787 | 790 | SAND | | | | | | |
| 390 | 392 | COAL | 790 | 806 | SANDY SHALE | | | | | | |
| 392 | 396 | SHALE | 806 | 815 | SAND | | | | | | |
| 396 | 416 | LIME | 815 | 835 | SAND / SANDY SHALE | | | | | | |
| 416 | 422 | BLACK SHALE / COAL | 835 | 852 | SANDY SHALE / SHALE | | | | | | |
| 422 | 424 | LIME | 852 | 853 | COAL | | | | | | |
| 424 | 427 | SHALE | 853 | 894 | SHALE | | | | | | |
| 427 | 431 | LIME | 894 | 896 | COAL | | | | | | |
| 431 | 434 | SHALE | 896 | 930 | SHALE | | | | | | |
| 434 | 436 | COAL | 930 | 960 | SAND | | | | | | |
| 436 | 437 | SHALE | 960 | 990 | SHALE | | | | | | |
| 437 | 438 | COAL | 990 | 1000 | SANDY SHALE | | | | | | |

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 WICHITA, KS

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P.10

16208795751

MOKAT Drilling

Sep 30 03 11:02a

OCT 21 2003

BLUE STAR ACID SERVICE, INC.

PO Box 103
Eureka, Kansas 67045

Cementing Ticket
and Invoice Number

No 4966

| | | | | | | | | |
|--|-----------------------|---|---|--------------------|-----------------------------|---------------------------------------|----------------------|-------------------------|
| Date 9-29-03 | Customer Order No. | Secl. | Twp. | Range | Truck Called Out | On Location 10:00am | Job Began 12:00pm | Job Completed 1:30pm |
| Owner Meritage KCM Exploration | | Contractor Hurricane Well Serv | | | | Charge To Meritage KCM Exploration | | |
| Mailing Address 115 North Oak | | City Garnett | | State Ks. | | 66032 | | |
| Well No. & Form Kusser 26-31 | | Place | | County Anderson | | State Kansas | | |
| Depth of Well 1233' | Depth of Job 1211' | Casing (New) Size 5 1/2" Weight 17lb | Size of Hole Arm. and Kind of Cement 7 1/4" 165 SKS | | Cement Left in casing by | Request (Necessity) 6' feet | | |
| Kind of Job Longstring > P.B.T.D. 1205' | | Drillpipe | | (Rotary) | | Truck No. #25 | | |

| | |
|---------------------|------------------|
| Price Reference No. | |
| Price of Job | 665.00 |
| Second Stage | |
| Mileage | Truckinfield n/c |
| Other Charges | |
| Total Charges | 665.00 |

Remarks: Safety Meeting! Rig up to 5 1/2" casing, wash casing down to 1211' well had 15' of fill. Mix 200 lbs. Gel with 10 Bbls water. Pumped Gel Flush around to surface to condition hole. Shutdown Rig up cement head, Drop ball to Trip Insert. Pumped 18 Bbls Dry water. Mixed 165 SKS Thickset cement w/ 8" P/K (K) Rot-SEAL & 1/2" P/K Flocc. (First 80 SKS at 12.7 lbs P/Gal, Tailend at 13.4 lbs P/Gal.) Shutdown washout pump & lines - Release Plug. Displace Plug with 28 Bbls Biocide water at 2 RPM. Final Pumping at 600 P.S.I - Bumped Plug to 1000 P.S.I. Check Float - Float Held - close casing in 0 P.S.I. Good cement returns to surface with 9 Bbls cement slurry = 30 SKS cement

Cementor Brad Butler
Helper Troy - Jim - John

District Eureka State Kansas
Agent of contractor or operator [Signature]

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

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