

KCC

JAN 13 2005

CONFIDENTIAL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

WELL COMPLETION FORM

WELL HISTORY - DESCRIPTION OF WELL & LEASE

CONFIDENTIAL

Form ACO-1

September 1999

Form Must Be Typed

ORIGINAL

Operator: License # 33138
Name: Meritage KCM Exploration, LLC
Address: Independence Plaza, 1050 17th St., Suite 975
City/State/Zip: Denver, CO 80265
Purchaser: SIGW, waiting on pipeline
Operator Contact Person: Jeff Vaughan
Phone: (303) 534-9513
Contractor: Name: Mokat Drilling
License: 5831
Wellsite Geologist: Larry Weis

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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. _____

11-2-04	11-3-04	11-4-04
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

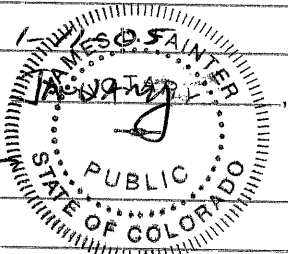
API No. 15 - 011-23021-00-00
County: Bourbon
SE SE SE Sec. 24 Twp. 23 S. R. 23 East West
340' feet from (S) / N (circle one) Line of Section
340' feet from (E) / W (circle one) Line of Section
Footages Calculated from Nearest Outside Section Corner:
(circle one) NE (SE) NW SW
Lease Name: Cox Well #: 24-44
Field Name: Wildcat
Producing Formation: Cherokee Coals
Elevation: Ground: 877' Kelly Bushing: _____
Total Depth: 605' Plug Back Total Depth: 569'
Amount of Surface Pipe Set and Cemented at 20' Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set _____ Feet
If Alternate II completion, cement circulated from 576'
feet depth to surface w/ 67 sx cmt.

Drilling Fluid Management Plan *ALT II W/HR 3-5-07*
(Data must be collected from the Reserve Pit)
Chloride content _____ ppm Fluid volume _____ bbls
Dewatering method used Air Drilled
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: James L. Sauter
Title: Agent Date: 1-13-05
Subscribed and sworn to before me this 11 day of January,
2005.
Notary Public: James L. Sauter
Date Commission Expires: 8-21-07



KCC Office Use ONLY

Letter of Confidentiality Received
If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution

Operator Name: Meritage KCM Exploration, LLC Lease Name: Cox Well #: 24-44
 Sec. 24 Twp. 23 S. R. 23 East West County: Bourbon

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: Compensated Density/Neutron, Dual Induction	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample <table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">Name</td> <td style="width: 20%;">Top</td> <td style="width: 20%;">Datum</td> </tr> <tr> <td>Oswego Lime</td> <td>134'</td> <td>+743'</td> </tr> <tr> <td>Bevier Coal</td> <td>252'</td> <td>+625'</td> </tr> <tr> <td>Riverton Coal</td> <td>502'</td> <td>+375'</td> </tr> <tr> <td>Mississippian</td> <td>523'</td> <td>+375'</td> </tr> </table>	Name	Top	Datum	Oswego Lime	134'	+743'	Bevier Coal	252'	+625'	Riverton Coal	502'	+375'	Mississippian	523'	+375'
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Oswego Lime	134'	+743'														
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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	11"	8 5/8"	32#	20'	Portland	4	None
Production	6 3/4"	4 1/2"	10.5#	576'	Thickset	67	Kol-Seal

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 <i>(Amount and Kind of Material Used)</i>	Depth
	Waiting on pipeline before completion	<div style="font-size: 2em; font-weight: bold; margin: 0;">KCC</div> <div style="font-size: 1.5em; font-weight: bold; margin: 5px 0;">RECEIVED</div> <div style="font-size: 1.5em; font-weight: bold; margin: 5px 0;">JAN 11 2005</div> <div style="font-size: 1.5em; font-weight: bold; margin: 5px 0;">JAN 13 2005</div> <div style="font-size: 1.5em; font-weight: bold; margin: 5px 0;">CONFIDENTIAL</div> <div style="font-size: 1.5em; font-weight: bold; margin: 5px 0;">KCC WICHITA</div>	

TUBING RECORD		Size	Set At	Packer At	Liner Run
Date of First, Resumerd Production, SWD or Enhr.		Producing Method			
Waiting on pipeline		<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

Disposition of Gas METHOD OF COMPLETION <input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	Production Interval <input type="checkbox"/> Open Hole <input type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____
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Drilling
Specialist
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		Well No. 24-44	Lease COX	Loc. 1/4 1/4 1/4	Sec. 24	Twps. 23	Rge. 23					
County BOURBON		State KS	Type/Well	Depth 605'	Hours	Date Started 11-2-04	Date Completed 11-3-04					
Job No.	Casing Used 21' 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			6 3/4"								
Driller	Hammer No.											

Formation Record

From	To	Formation	From	To	Formation	From	To	Formation	From	To	Formation
3		OVERBURDEN	303	346	SHALE						
55		SHALE	310		GAS TEST NO GAS						
56		COAL	346	348	COAL						
60		SHALE	348	350	SHALE						
79		LIME	350	352	COAL						
83		SHALE	352	358	SHALE						
91		LIME	358	360	COAL						
93		COAL OR BLACK SHALE	360	365	SHALE						
120		GREY SHALE	365	370	SANDY SHALE						
121		COAL	370	375	SAND						
137		SANDY SHALE	375	380	SANDY SHALE & SHALE						
153		LIME (OIL ODOR)	380	422	SHALE						
160		SHALE	410		GAS TEST NO GAS						
165		LIME	422	427	SANDY SHALE						
184		SHALE	427	440	SAND (WATER)						
185		COAL	440	477	SANDY SHALE						
193		SHALE	477	479	COAL						
		GAS TEST NO GAS	479	504	SANDY SHALE						
205		SAND (GOOD OIL SHOW)	504	507	COAL						
244		SHALE	507	513	SHALE						
		GAS TEST NO GAS	510		GAS TEST 1/4# 1/8"						
245		COAL	513	605	LIME (MISSISSIPPI)						
254		SHALE	535		GAS TEST SAME						
255		COAL									
275		SHALE			T.D. 605'						
277		LIME									
278		COAL									
285		SHALE									
286		COAL									
301		SHALE									
303		COAL									

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CONSOLIDATED OIL WELL SERVICES C.
 211 W. 14TH STREET, CHANUTE, KS 66720
 620-431-9210 OR 800-467-8676

TICKET NUMBER 2304
 LOCATION Faroka
 FOREMAN Brad Butler

TREATMENT REPORT & FIELD TICKET
 CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY																				
11-8-04		Cox 24-44				Bourbon																				
CUSTOMER Meritage KCM Exploration			<table border="1"> <thead> <tr> <th>TRUCK #</th> <th>DRIVER</th> <th>TRUCK #</th> <th>DRIVER</th> </tr> </thead> <tbody> <tr> <td>446</td> <td>Rick</td> <td></td> <td></td> </tr> <tr> <td>442</td> <td>Anthony</td> <td></td> <td></td> </tr> <tr> <td>434</td> <td>Jim</td> <td></td> <td></td> </tr> <tr> <td>437</td> <td>Randy</td> <td></td> <td></td> </tr> </tbody> </table>				TRUCK #	DRIVER	TRUCK #	DRIVER	446	Rick			442	Anthony			434	Jim			437	Randy		
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MAILING ADDRESS 115 North Oak																										
CITY STATE ZIP CODE Garnett Ks 66032																										
HURRICANE WELL SERV.																										

JOB TYPE Long string HOLE SIZE 6 3/4 HOLE DEPTH 605 CASING SIZE & WEIGHT 4 1/2 - 10.5 lb
 CASING DEPTH 5 7/8 DRILL PIPE 569 P8TD OTHER _____
 SLURRY WEIGHT 13 3/16 SLURRY VOL _____ WATER gal/sk _____ CEMENT LEFT IN CASING 6
 DISPLACEMENT 9 Bbl DISPLACEMENT PSI 250 ~~750~~ 750 loaded Plug RATE 3 BPM - 2 BPM

REMARKS: Safety Meeting - Rig up to 4 1/2" casing. Pumped fresh water - Ahead broke circulation
Drop ball to Trip Insert. Pumped 10 Bbl. water Ahead, followed with 4 Bbl. Dye water
Mixed 67 SKS. Thick set cement w/ 8" P/SK of KOL-SEAL, 1/4" P/SK of Floccle at 13 3/16 P/GAL (yield 1.7)
Shut down, wash out pump & lines - Release Plug - Displace Plug with 9 Bbl. water
Final pumping at 250 - Bumped Plug to 750 PSI, wait 2 min. - Release Pressure
Float Held - Close casing in w/ OPSE
Good cement returns to Surface w/ 5 Bbl. slurry = 16 SKS. cement
Job complete - Teardown

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"Thank You"

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
5401	1	PUMP CHARGE	710.00	710.00
5406	0	MILEAGE Truck Infield	2.35	N/C
1126A	67 SKS	Thick Set cement RECEIVED	11.85	793.95
1110A	10 SKS	KOL-SEAL 8" P/SK	15.75	157.50
1107	1/2 SK	Floccle 1/4" P/SK	40.00	20.00
5407A	3.8 Ton	60 miles - Bulk Truck KGC WICHITA	.85	193.80
5502C	5 Hrs	80 Bbl. VAC Truck	78.00	390.00
5502C	6 Hrs	80 Bbl. VAC Truck	78.00	468.00
1123	3780 GAL	City water	11.50 P/hour	43.47
	1/2 GAL	Biocide (Displacement water)	20.00	10.00
4201	1	4 1/2" Guide Shoe	85.00	85.00
4226	1	4 1/2" AFU Insert Flapper Valve	110.00	110.00
4129	3	4 1/2" Centralizers	26.00	78.00
4404	1	4 1/2" Top Rubber Plug	35.00	35.00
		Sub Total		3094.72
		6.3% SALES TAX		83.97
		ESTIMATED TOTAL		3178.69

AUTHORIZATION [Signature] TITLE _____ DATE _____