

CONFIDENTIAL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL

Form ACO-1
September 1999
Form Must Be Typed

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

CONFIDENTIAL

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
 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. _____

12-6-04	12-7-04	12-8-04
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

RECEIVED
JAN 13 2005
KCC WICHITA

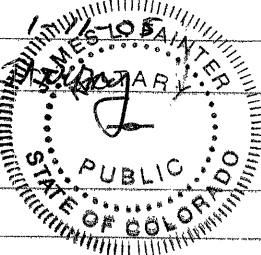
API No. 15 - 011-23031-00-00
 County: Bourbon
 _____ SW _____ SE _____ SW Sec. 31 Twp. 23 S. R. 24 East West
330' feet from S / N (circle one) Line of Section
1610 feet from E / W (circle one) Line of Section
 Footages Calculated from Nearest Outside Section Corner:
 (circle one) NE SE NW SW
 Lease Name: Laughlin Well #: 31-24
 Field Name: Wildcat
 Producing Formation: Cherokee Coals
 Elevation: Ground: 845' Kelly Bushing: _____
 Total Depth: 552' Plug Back Total Depth: 543'
 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 549'
 feet depth to surface w/ 60 sx cmt.
ACT WITHIN 3-5-07

Drilling Fluid Management Plan
 (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: [Signature]
 Title: Agent Date: _____
 Subscribed and sworn to before me this 11 day of _____
 20 05.
 Notary Public: [Signature]
 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

My Commission Expires August 21, 2007

Operator Name: Meritage KCM Exploration, LLC Lease Name: Laughlin Well #: 31-24
 Sec. 31 Twp. 23 S. R. 24 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 style="width:100%; border-collapse: collapse;"> <tr> <td style="width:70%;">Name</td> <td style="width:15%;">Top</td> <td style="width:15%;">Datum</td> </tr> <tr> <td>Oswego Lime</td> <td>89'</td> <td>+756'</td> </tr> <tr> <td>Bevier Coal</td> <td>209'</td> <td>+636'</td> </tr> <tr> <td>Riverton Coal</td> <td>456'</td> <td>+389'</td> </tr> <tr> <td>Mississippian</td> <td>468'</td> <td>+377'</td> </tr> </table>	Name	Top	Datum	Oswego Lime	89'	+756'	Bevier Coal	209'	+636'	Riverton Coal	456'	+389'	Mississippian	468'	+377'
Name	Top	Datum														
Oswego Lime	89'	+756'														
Bevier Coal	209'	+636'														
Riverton Coal	456'	+389'														
Mississippian	468'	+377'														

JAN 13 2005
CONFIDENTIAL

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	Kol-Seal
Production	6 3/4"	4 1/2"	10.5#	549'	Thickset	60	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 (Amount and Kind of Material Used)	Depth
	Waiting on pipeline before completion		

RECEIVED
JAN 13 2005
KCC WICHITA

TUBING RECORD		Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr. Waiting on pipeline		Producing Method <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 <input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	METHOD OF COMPLETION <input type="checkbox"/> Open Hole <input type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____
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 LLC,		Well No. 31-34	Lease LAUGHLIN	Loc. 1/4 1/4 1/4	Sec. 31	Twp. 23S	Rge. 24
County BOURBON		State KS	Type/Well	Depth 552'	Hours	Date Started 12/6/04	Date Complete 12/7/04
Job No.	Casing Used 22' 8 5/8"	Bit Record			Coring Record		
Driller TOOTIE, JERALD	Cement Used	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
0	8	OVERBURDEN	460		GAS TEST (SAME)						
8	21	CLAY, CREEK GRAVEL	485		GAS TEST (SAME)						
21	40	LIME	510		GAS TEST (SAME)						
40	43	SHALE									
43	48	LIME			T.D. 552'						
48	50	BLK SHALE, OR COAL									
50	75	GRAY SHALE									
75	82	LIME									
82	90	SHALE									
90	105	LIME									
105	109	BLK SHALE, OR COAL									
109	115	GRAY SHALE									
110		GAS TEST (5 # 1/4")									
115	120	LIME									
120	125	SAND									
125	132	SAND (OIL SHOW)									
132	167	SANDY SHALE									
160		GAS TEST (SAME)									
167	169	LIME									
169	210	SANDY SHALE									
210	211	COAL									
211	213	LIME									
213	236	SHALE									
236	239	LIME									
239	273	SHALE									
260		GAS TEST (6 # 1/4")									
273	275	COAL									
275	458	SHALE									
385		GAS TEST (SAME)									
458	460	COAL									
460	552	LIME (MISS)									

RECEIVED
 JAN 13 2005
 KCC MICHELE

JAN 11 2005
 JON F. DAVIS

ONSOLIDATED OIL WELL SERVICES, INC.
 11 W. 14TH STREET, CHANUTE, KS 66720
 20-431-9210 OR 800-467-8676

TICKET NUMBER 2700
 LOCATION Earcke
 FOREMAN Brad Butler

TREATMENT REPORT & FIELD TICKET
 CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
2-8-04		Laughlin 21-24				Bourbon
CUSTOMER Meritage KCM Exploration			Hurricane Well Serv.			
MAILING ADDRESS 115 North OAK			TRUCK #	DRIVER	TRUCK #	DRIVER
CITY Garnett			446	Rick		
STATE Ks.			442	Anthony		
ZIP CODE 66032			437	Jim		

JOB TYPE Longstring HOLE SIZE 6 3/4" HOLE DEPTH 552 CASING SIZE & WEIGHT 4 1/2" 10.5 lb.
 CASING DEPTH 549 DRILL PIPE PBTD. 543 OTHER _____
 CARRY WEIGHT 13 2/16 SLURRY VOL _____ WATER gal/sk _____ CEMENT LEFT in CASING 6
 DISPLACEMENT 8 1/2 Bbl. DISPLACEMENT PSI 250 ~~600~~ PSI 600 Leaded Plug RATE 3BPM-2BPM
 REMARKS: Safety Meeting: Rig up to 4 1/2" casing, Drop ball to Tip Insert, Pumped 10 Bbl. water Ahead.
Followed with 4 Bbl. Dye water. Mixed 60 SKS. Thick Set cement w/ 8" KOL-SEAL, 1/4" Floccate @ 13.2 lb. P/GAL.
Shut down - washout pump & lines - Release Plug - Displace Plug with 8 1/2 Bbls. water.
Final pumping @ 250 PSI - Pumped Plug to 600 PSI - wait 2 minutes - Release Pressure
Float Held - close casing w/ 0 PSI
Good cement returns to surface with 3 Bbl. slurry
Job complete - Tear down

"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
1126 A	60 SKS.	Thick Set cement	11.85	711.00
1110 A	9 SKS.	KOL-SEAL 8" P/GAL	15.75	141.75
1107	1/2 SK.	Floccate 1/4 lb. P/GAL	40.00	20.00
5407 A	3.5 Ton	60 miles - Bulk Truck	.85	178.50
5502 C	4 Hrs.	80 Bbl. VAC Truck	78.00	312.00
1123	3000 GAL.	City water	11.50 P/1000	34.50
5502	3 Hrs.	80 Bbl. VAC Truck	78.00	234.00
1123	2500 GAL.	City water	11.50 P/1000	28.75
1215	2 GAL.	KOL SUBSTITUTE	23.10	46.20
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
		6.3%	SALES TAX	81.28
			ESTIMATED TOTAL	2805.98

RECEIVED
 JAN 13 2005

KCC WICHITA

12-7-04

D D