

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

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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 ____ 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. _____

<u>12-2-04</u>	<u>12-3-04</u>	<u>12-7-04</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 011-23032-00-00
County: Bourbon
W/2 SE SE Sec. 32 Twp. 23 S. R. 24 East West
500 feet from (S) / N (circle one) Line of Section
1000 feet from (E) / W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE (SE) NW SW
Lease Name: Smith Well #: 32-44

Field Name: Wildcat
Producing Formation: Cherokee Coals
Elevation: Ground: 854' Kelly Bushing: _____
Total Depth: 552' Plug Back Total Depth: 545'
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 551'
feet depth to surface w/ 60 sx cmt.

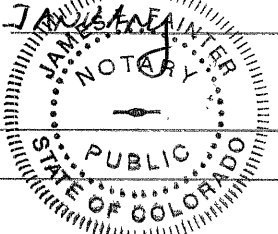
Drilling Fluid Management Plan ALT II WITH
(Data must be collected from the Reserve Pit) 3-5-04
Chloride content _____ ppm Fluid volume _____ bbls
Dewatering method used Air Drilled

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: [Handwritten Signature]
Title: Agent Date: 1-11-05
Subscribed and sworn to before me this 11 day of JANUARY,
2005.
Notary Public: [Handwritten 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

Operator Name: Meritage KCM Exploration, LLC Lease Name: Smith Well #: 32-44
 Sec. 32 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 Yes No
 (Attach Additional Sheets)
 Samples Sent to Geological Survey Yes No
 Cores Taken Yes No
 Electric Log Run Yes No
 (Submit Copy)
 List All E. Logs Run:

Log Formation (Top), Depth and Datum Sample
 Name Top Datum
 Oswego Lime 115' +739'
 Bevier Coal 232' +622'
 Riverton Coal 478' +376'
 Mississippian 488' +366'

Compensated Density/Neutron, Dual Induction

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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#	551'	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		
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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.		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 Vented Sold Used on Lease (If vented, Submit ACO-18.)

METHOD OF COMPLETION Open Hole Perf. Dually Comp. Commingled 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 OIL & GAS LLC.		Well No. 32-44	Lease SMITH	Loc. 1/4 1/4 1/4	Sec. 32	Twp. 23	Rge. 24E					
County BOURBON		State KS	Type/Well	Depth 552'	Hours	Date Started 12-2-04	Date Completed 12-3-04					
Job No.	Casing Used 22' 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 JERALD	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	486		GAS TEST 3# 1/4"						
8	15	BROWN SAND	486	552	LIME (MISSISSIPPI)						
15	48	SHALE	512		GAS TEST 1 1/2# 1/4"						
48	74	LIME									
74	77	BLACK SHALE			T.D. 552'						
77	114	GREY SANDY SHALE									
114	116	SHALE									
116	117	COAL									
117	135	LIME									
135	138	BLACK SHALE									
138	142	GREY SHALE									
142	145	LIME									
145	231	SHALE									
160		GAS TEST (NO GAS)									
231	232	COAL									
232	269	SHALE									
235		GAS TEST (NO GAS)									
269	271	COAL									
271	280	BLACK SHALE									
280	370	GREY SHALE									
310		GAS TEST (NO GAS)									
370	375	SAND									
375	386	SHALE									
385		GAS TEST (LIGHT BLOW)									
386	450	SAND (OIL SHOW)									
450	452	SHALE									
452	454	COAL									
454	480	SHALE									
460		GAS TEST 2 1/2# 1/4"									
480	482	COAL (RIVERTON)									
482	486	SHALE									

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

TICKET NUMBER 2698
 LOCATION Eureka
 FOREMAN Brad Butler

TREATMENT REPORT & FIELD TICKET
 CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
12-7-04		Smith 32-44				Rouben
CUSTOMER Meritage KCM Exploration			Hullcave Well Serv			
MAILING ADDRESS 115 North OAK			TRUCK #	DRIVER	TRUCK #	DRIVER
CITY Garnett			446	Rick	IAN 1	2005
STATE KS			441	Alan	CONFIDENTIAL	
ZIP CODE 66032			436	Jim		
			437	Anthony		

JOB TYPE Logging HOLE SIZE 6 3/4 HOLE DEPTH 552 CASING SIZE & WEIGHT 4 1/2" - 10.5"
 CASING DEPTH 351 DRILL PIPE PBTD 545 OTHER _____
 SLURRY WEIGHT 132 lb SLURRY VOL _____ WATER gal/sk _____ CEMENT LEFT in CASING 6
 DISPLACEMENT 8 1/2 Bbls DISPLACEMENT PSI 200 PSI 600 Landed Plug RATE 3BPM - 2BPM

REMARKS: Safety Meeting: Rig up to 4 1/2" casing, Drop ball to trip insert, circulate casing down to bottom (5' of fill), circulate on hole with 35 Bbls. Rig cement head pumped 10 Bbl water ahead, followed with 4 Bbl dye water. Mixed 60 sks Thick Set cement w/ 8" KOL-SEAL, 1/4" Floccle at 13.2 lbs. per gal. shutdown - washout pump lines - Release Plug - Displace Plug with 8 1/2 Bbls water. Final pumping at PSI - Bumped Plug To PSI. wait 2 mins - Release Pressure. Float Held - close casing in with DPST. Good cement returns to surface with 3 Bbl slurry. Job complete - Teardown.

"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/SK RECEIVED	15.75	141.75
1107	1/2 SK	Floccle 1/4 lb P/SK	40.00	20.00
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5407 A	3.5 Ton	60 miles - Bulk Truck KCC WICHITA	.85	178.50
5502 C	5 His	80 Bbl. VAC Truck	78.00	390.00
5502 C	3 His	80 Bbl. VAC Truck	78.00	234.00
1123	3500 GAL	City water	11.50	40.25
5502	6 His	80 Bbl. VAC Truck 12-3-04	78.00	468.00
1123	3000 GAL	City water	11.50	34.50
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
			63%	SALES TAX ESTIMATED TOTAL
				82.00
				3364.20

AUTHORIZATION Randy Dwyer TITLE _____ DATE _____