

**KCC**  
**FEB 11 2005**  
**CONFIDENTIAL**  
**WELL HISTORY - DESCRIPTION OF WELL & LEASE**

KANSAS CORPORATION COMMISSION  
 OIL & GAS CONSERVATION DIVISION

**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: None: Pressure Observation Well  
 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 \_\_\_\_\_ 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. \_\_\_\_\_

|                                   |                 |   |
|-----------------------------------|-----------------|---|
| <u>11-10-04</u>                   | <u>11-10-04</u> | <u>12-31-04</u>                         |
| Spud Date or<br>Recompletion Date | Date Reached TD | Completion Date or<br>Recompletion Date |

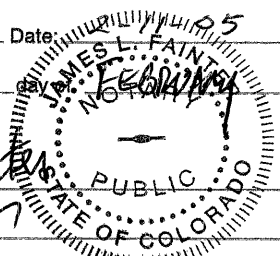
API No. 15 - 003-24266-00-00  
 County: Anderson  
NE NW NE Sec. 27 Twp. 19 S. R. 19  East  West  
335' feet from S / (N) (circle one) Line of Section  
1683' feet from (E) W (circle one) Line of Section  
 Footages Calculated from Nearest Outside Section Corner:  
 (circle one) (NE) SE NW SW  
 Lease Name: Buzzard Well #: 27-31 POW  
 Field Name: \_\_\_\_\_  
 Producing Formation: POW for Riverton Coal  
 Elevation: Ground: 960' Kelly Bushing: \_\_\_\_\_  
 Total Depth: 1190' Plug Back Total Depth: 1169'  
 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 1175'  
 feet depth to surface w/ 130 sx cmt.

**Drilling Fluid Management Plan**  
 (Data must be collected from the Reserve Pit) *ALT II with 4-25-07*  
 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  
 Subscribed and sworn to before me this 11 day of FEBRUARY, 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

My Commission Expires August 21, 2007

Operator Name: Meritage KCM Exploration, LLC Lease Name: Buzzard Well #: 27-31 POW  
 Sec. 27 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  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:

Compensated Density/Neutron, Dual Induction

Log Formation (Top), Depth and Datum  Sample

| Name          | Top   | Datum |
|---------------|-------|-------|
| Oswego Lime   | 692'  | +268' |
| V-Shale       | 833'  | +127' |
| Riverton Coal | 1108' | -148' |
| Mississippian | 1151' | -191' |

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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   | 11"               | 8 5/8"                    | 32#               | 20'           | Portland       | 4            | None                       |
| Production  | 6 3/4"            | 4 1/2"                    | 10.5#             | 1175'         | Thickset       | 130          | Kol-Seal, 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  |                  |                |             |                            |

| Shots Per Foot | PERFORATION RECORD - Bridge Plugs Set/Type<br>Specify Footage of Each Interval Perforated | Acid, Fracture, Shot, Cement Squeeze Record<br>(Amount and Kind of Material Used) | Depth |
|----------------|---|---|-------|
| 4 spf          | Riverton Coal: 1107.5'-1110'; 1114'-1117';  | No Stimulation  |       |
| 4 spf          | 1119.5'-1121.5'; 1123'-1125'; 1133.5'-1135.5'   | No Stimulation  |       |

| TUBING RECORD  |           | Size    | Set At   | Packer At     | Liner Run   |
|--|-----------|---------|--|---------------|---|
|  |           | 2 3/8"  | 1115'  | None          | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| Date of First, Resumerd Production, SWD or Enhr.<br>N/A (POW Well) |           |         | Producing Method<br><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

Production Interval  Other (Specify) POW Well for Riverton Coal



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

TICKET NUMBER 2334  
 LOCATION Eureka  
 FOREMAN Brad Butler

TREATMENT REPORT & FIELD TICKET  
 CEMENT

| DATE                                 | CUSTOMER # | WELL NAME & NUMBER   | SECTION              | TOWNSHIP | RANGE   | COUNTY   |
|--------------------------------------|------------|----------------------|----------------------|----------|---------|----------|
| 11-12-04                             |            | Buzzard 27-31 P.O.W. |                      |          |         | Anderson |
| CUSTOMER<br>Meritage KCM Exploration |            |                      | HURRICANE Well Serv. |          |         |          |
| MAILING ADDRESS<br>115 North OAK     |            |                      | TRUCK #              | DRIVER   | TRUCK # | DRIVER   |
| CITY<br>Garnett                      |            |                      | 446                  | Rick     |         |          |
| STATE<br>Ks.                         |            |                      | 442                  | Anthony  |         |          |
| ZIP CODE<br>66032                    |            |                      | 434                  | Jim      |         |          |
|                                      |            |                      | 437                  | Justin   |         |          |

JOB TYPE LongString HOLE SIZE 6 3/4" HOLE DEPTH 1190' CASING SIZE & WEIGHT 4 1/2" - 10.5 lb.  
 CASING DEPTH 1175' DRILL PIPE PBTD 1169' OTHER \_\_\_\_\_  
 SLURRY WEIGHT 12.7, 13.2 SLURRY VOL \_\_\_\_\_ WATER gal/sk \_\_\_\_\_ CEMENT LEFT in CASING 6'  
 DISPLACEMENT 18 1/2 Bbls DISPLACEMENT PSI 1700 ~~MAX~~ PSI 2100 Landed Plug RATE 3 BPM - 2 BPM

REMARKS: Safety Meeting - Rig up to 4 1/2" casing, Break circulation with fresh water, Drop ball To Trip Insert, Pumped 10 Bbl water followed with 9 Bbl Dye water. Mixed 130 sks Thick Set cement w/ 8" PWSK of KOL-SEAL, 1/4" PWSK of Flocele. (First 40 sks at 12.7 lb PWSK. Then mixed 90 sks at 13.2 lb PWSK.) shut down - washout pump lines - Release Plug Displace Plug with 18 1/2 Bbls water. Final pumping at 1700 PSI - Bumped Plug To 2100 PSI wait 2 min - Release Pressure - Float Held - Close casing w/ OPST Good cement returns To Surface with 6 Bbl cement 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         | 60                | MILEAGE                            | 2.35            | 141.00  |
| 1126A        | 130 SKS.          | Thick Set cement                   | 11.85           | 1540.50 |
| 1110A        | 21 SKS            | KOL-SEAL 8" PWSK                   | 15.75           | 330.75  |
| 1107         | 1 SK.             | Flocele 1/4" PWSK                  | 40.00           | 40.00   |
| 5407A        | 7.3 Ton           | 60 miles - Bulk Truck              | .85             | 372.30  |
| 5502C        | 7 Hrs             | 80 Bbl. VAC Truck                  | 78.00           | 546.00  |
| 5502C        | 7 Hrs             | 80 Bbl. VAC Truck                  | 78.00           | 546.00  |
| 1123         | 5880 GAL.         | City water                         | 11.50 PWSK      | 67.62   |
|              | 1 GAL             | Biocide - Disp. water              | 20.00           | 20.00   |
| 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         | 5                 | 4 1/2" Centralizers                | 26.00           | 130.00  |
| 4404         | 1                 | 4 1/2" Top Rubber Plug             | 35.00           | 35.00   |
|              |                   | 6.3%                               | SALES TAX       | 148.61  |
|              |                   |                                    | ESTIMATED TOTAL | 4822.78 |

AUTHORIZATION Jamari TITLE \_\_\_\_\_ DATE \_\_\_\_\_