

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 # 5316
Name: Falcon Exploration, Inc.
Address: 155 N. Market, Suite 1020
City/State/Zip: Wichita, KS 67202
Purchaser: na

KCC

JAN 10 2006

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Operator Contact Person: Ron Schraeder/Mike Mitchell
Phone: (316) 262-1378
Contractor: Name: Val Energy, Inc.
License: 5822
Wellsite Geologist: Kim Shoemaker

Designate Type of Completion:
 New Well Re-Entry Workover
 Oil SWD SLOW Temp. Al
 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. _____

9/19/05	10/05/05	11/15/05
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 025-21312-00-00
County: Clark
N/2 S/2 N/2 Sec. 13 Twp. 31 S. R. 22 East West
1600 feet from S / (N) (circle one) Line of Section
2710 feet from (E) / W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Giles Well #: 2
Field Name: Lexington NW

Producing Formation: na
Elevation: Ground: 2196 Kelly Bushing: 2206
Total Depth: 6572 Plug Back Total Depth: 5388

Amount of Surface Pipe Set and Cemented at 845 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set _____ Feet
If Alternate II completion, cement circulated from _____
feet depth to _____ w/ _____ sx cmt.

Drilling Fluid Management Plan
(Data must be collected from the Reserve Pit)
Chloride content 9500 ppm Fluid volume 480 bbls
Dewatering method used haul fluid off to offsite reserve pit

Location of fluid disposal if hauled offsite:
Operator Name: Falcon Exploration Inc.
Lease Name: Shrauner License No.: _____
Quarter NW Sec. 7 Twp. 31 S. R. 21 East West
County: Clark 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: Ronald A. Schraeder
Title: Engineer Date: 1/10/2006

Subscribed and sworn to before me this 10th day of January,
2006

Notary Public: Rosann M. Schippers
Date Commission Expires: 9/28/07

KCC Office Use ONLY

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

ROSANN M. SCHIPPERS
NOTARY PUBLIC
STATE OF KANSAS
My Appt. Exp. 9/28/07

✓

2

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Side Two

ORIGINAL

Operator Name: Falcon Exploration, Inc. Lease Name: Giles Well #: 2
Sec. 13 Twp. 31 S. R. 22 East West County: Clark

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:

CDL/CNL/PE/DIL/MEL/SONIC/BOND LOG

Log Formation (Top), Depth and Datum Sample

Table with 3 columns: Name, Top, Datum. Rows include Heebner, Lansing, Cherokee, Morrow, Mississippian, Viola, Simpsom, Arbuckle.

CASING RECORD New Used

Report all strings set-conductor, surface, intermediate, production, etc.

Table with 8 columns: 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. Rows include Conductor, Surface, Production.

ADDITIONAL CEMENTING / SQUEEZE RECORD

Table with 5 columns: Purpose, Depth Top Bottom, Type of Cement, #Sacks Used, Type and Percent Additives. Includes checkboxes for Perforate, Protect Casing, Plug Back TD, Plug Off Zone.

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

Table with 4 columns: Shots Per Foot, Footage, Material, Depth. Includes handwritten 'KCC' and 'CONFIDENTIAL' stamps.

TUBING RECORD Size Set At Packer At Liner Run Yes No

Date of First, Resumerd Production, SWD or Enhr. Producing Method Flowing Pumping Gas Lift Other (Explain)

Estimated Production Per 24 Hours Oil Bbls. Gas Mcf Water Bbls. Gas-Oil Ratio Gravity

Disposition of Gas METHOD OF COMPLETION Production Interval

Vented Sold Used on Lease Open Hole Perf. Dually Comp. Commingled Other (Specify)

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FALCON EXPLORATION INC.
ACO-1
GILES #2 ATTACHMENT

Drill stem tests:

DST #1: 5183-5220, 5/90/90/150. Rec 65' mud. SIP's 452-1113#.

DST #2: 5222-50, 3/90/90/150. GTS in 3", gauged 260 MCF, diminishing to 65 MCF after 90". Rec 60' mud, SIP's 1164-986#.

DST #3: 5252-75, 3/90/90/150. GTS on 2nd open. TSTM. Rec 2100' O&GCMW (52% oil), 100' O&GCMW (47% oil), 30' Sl.OCW (3% oil) and 40' clean water. SIP's 1156-807#.

DST #4: 6222-92, 30/75/90/150. Rec 120' very thick heavy mud, 60' MW and 240' water. SIP's 2215-2180#

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CONSERVATION DIVISION
WICHITA, KS

ALLIED CEMENTING CO., INC.

16385

REMIT TO P.O. BOX 31
RUSSELL, KANSAS 67665

SERVICE POINT:

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Medicine Lodge KS

DATE 09-18-05	SEC. 13	TWP. 31s	RANGE 22 W	CALLED OUT 8:30pm	ON LOCATION 11:30pm	JOB START 2:55 AM	JOB FINISH 3:50 AM
LEASE 6iles	WELL # 2	LOCATION 160q Sitka Jct. 11.5 N/ W			COUNTY Clarke	STATE KS	
OLD OR NEW (Circle one)			1/2 W, 1/2 S into				

CONTRACTOR Val #2 OWNER Falcon Explo.

TYPE OF JOB Surface

HOLE SIZE 12 1/4 T.D. 850 CEMENT

CASING SIZE 8 5/8 DEPTH 845 AMOUNT ORDERED 400sx 65:35:6 + 3%cc +

TUBING SIZE DEPTH 1/4 # Flo Seal, 100sx Class "A" + 3%cc + 2%

DRILL PIPE DEPTH gel

TOOL DEPTH

PRES. MAX 900 MINIMUM 100 COMMON 100 A @ 8.70 870.00

MEAS. LINE SHOE JOINT 39' POZMIX @

CEMENT LEFT IN CSG. 39.00 GEL 2 @ 14.00 28.00

PERFS. CHLORIDE 17 @ 38.00 646.00

DISPLACEMENT 51 1/4 Bbls Fresh H₂O ASC @

EQUIPMENT

ALW 400 @ 8.15 3260.00

Flo Seal 100 # @ 1.70 170.00

PUMP TRUCK CEMENTER D. Felio RECEIVED

397 HELPER C. Reed KANSAS CORPORATION COMMISSION

BULK TRUCK DRIVER G. Kessler JAN 10 2006

353 CONSERVATION DIVISION WICHITA, KS

BULK TRUCK DRIVER S. Kraemer

381 HANDLING 544 @ 1.60 870.40

MILEAGE 55 X X.06 1795.20

TOTAL 7639.60

REMARKS:

Pipe on Bottom, Break circ., Pump 400sx lead
Cement, Pump 100sx tail cement, Stop Pumps
Release Plug, Start Disp. wash up on top of
Plug, Start Disp at 4 BPM, increase to 6 BPM
Slow rate at 46 Bbls gone to 3 BPM, Bump Plug
at 51 1/4 Bbls Fresh H₂O Disp. Release PSI, Float
Did hold, Cement Did Circ.

SERVICE

DEPTH OF JOB 845'

PUMP TRUCK CHARGE 0-300' 670.00

EXTRA FOOTAGE 545' @ .55 299.75

MILEAGE 55 @ 5.00 275.00

Head rent @ 25.00 75.00

TOTAL 1319.75

CHARGE TO: Falcon Exploration

STREET

CITY STATE ZIP

PLUG & FLOAT EQUIPMENT

To Allied Cementing Co., Inc.
You are hereby requested to rent cementing equipment
and furnish cementer and helper to assist owner or
contractor to do work as is listed. The above work was
done to satisfaction and supervision of owner agent or
contractor. I have read & understand the "TERMS AND
CONDITIONS" listed on the reverse side.

**ANY APPLICABLE TAX
WILL BE CHARGED
UPON INVOICING**

SIGNATURE x Leo Roberts

MANIFOLD @

1- Guide Shoe @ 235.00 235.00

1- AFU insert @ 325.00 325.00

1- centralizer @ 55.00 55.00

1- Rubber Plug @ 100.00 100.00

TOTAL 715.00

TAX

TOTAL CHARGE

DISCOUNT IF PAID IN 30 DAYS

SIGNATURE x Leo Roberts

PRINTED NAME

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TREATMENT REPORT



Customer ID	Date
Customer Falcon Exploration, Incorporated	10-5-05
Lease Giles	Well # 2

Field Order # 11785	Station Pratt	Casing 4 1/2" 10.5#/ft.	Depth 5450'	County Clark	State KS
Type Job Cement-Long String-New Well			Formation	Legal Description 13-315-22W	

PIPE DATA		PERFORATING DATA		FLUID USED		TREATMENT RESUME		
Casing Size 4 1/2" 10.5#/ft.	Tubing Size	Shots/Ft		Acid		RATE	PRESS	ISIP
Depth 5450'	Depth	From	To	100 sacks AA-2 with 3% Friction Reducer, 2% Foamers, 3% FLA		Max 322, 10%		5 Min.
Volume 86.66 Bbl.	Volume	From	To	5#/stk. Gilsonite 31		Min 5#/Gal, 6		10 Min.
Max Press 1500 P.S.I.	Max Press	From	To	50 sacks 60/40 Poz with 2% Gel, 1/4#/stk. Cellulose		Avg 1.64 CU. Ft./stk.		15 Min.
Well Connection Plug Cont.	Annulus Vol.	From	To	13#/Gal, 8.61 Gal./stk.		HHP Used		Annulus Pressure
Plug Depth 5408'	Packer Depth	From	To	Flush 86 Bbl. Fresh H ₂ O		Gas Volume		Total Load

Customer Representative Ron Schraeder	Station Manager Dave Scott	Treater Clarence R. Messich
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Service Units	119	227	347	501				
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Time	Casing Pressure	Tubing Pressure	Bbls. Pumped	Rate	Service Log
9:30 A.M.					Trucks on location and hold safety meeting
10:15					Val Drilling start to run Auto-fill Guide shoes, shoe it with Latch Down baffle screwed into collar and 126 total yds new 10.5#/ft. 4 1/2" casing. Run Basket on 2nd yd and put out total of 10 reciprocating scratchers on yds 546.
1:15					Casing, well. Reciprocated & Circulate for 15 min.
1:30	300			6	Start Fresh H ₂ O Pre-Flush
	300		120	6	Start Mud Flush
	300		202	6	Start Fresh H ₂ O Spacer
			207 4-3		Shut in well. Plug rat and mouse holes
1:50	300			5	Open well. Start mixing 60/40 Poz cement
			10	5	Start mixing 100 sacks AA-2 cement
			35		Shut in well. Wash pump lines Release plug, Open well
2:04	100			7	Start Fresh H ₂ O Displacement
2:18	700		86		Plug down
	1500				Pressure up.
					Release Pressure. Insert held
					Wash up pump truck
3:00					Job Complete

Thanks, Clarence R. Messich



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FIELD ORDER 11785

INVOICE NO.	Subject to Correction		
Date 10-9-05	Lease Giles	Well # 2	Legal 13-315-22W
Customer ID	County Clark	State KS.	Station Pratt
Falcon Exploration, Incorporated		Depth 42'	Formation
Casing 4 1/2" 10.5 #/ft.	Casing Depth 5450'	TD 6572'	Shoe Joint 42'
Customer Representative Ron Schraeder		Job Type Cement-Long String New Well	
		Treater Clarence R. Messick	

AFE Number _____ PO Number _____

Materials Received by **X** *[Signature]*

Product Code	QUANTITY	MATERIAL, EQUIPMENT and SERVICES USED	UNIT PRICE	AMOUNT	ACCOUNTING	
					CORRECTION	AMOUNT
D-205	100sk.	AA-2				
D-203	50sk.	60/40 Poz				
C-194	141b.	Cellflatre				
C-195	291b.	FLA-322				
C-221	9171b.	Salt (Fine)				
C-243	191b.	Defoamer				
C-244	291b.	Cement Friction Reducer				
C-312	711b.	Gas Blokt				
C-321	4991b.	Gilsonite				
C-302	500 gal.	Mud Flush				
F-100	4 ea.	Turbolizer, 4 1/2"				
F-120	1 ea.	Basket, 4 1/2"				
F-170	1 ea.	I. R. Latch Down Plug and Baffle, 4 1/2"				
F-210	1 ea.	Auto Fill Float Shoe, 4 1/2"				
F-290	10 ea.	Cement Scratchers Cable Type, 4 1/2"				
E-100	130 mi.	Heavy Vehicle Mileage, 1-way				
E-101	65 mi.	Pickup Mileage, 1-Way				
E-104	458 tm.	Bulk Delivery				
E-107	150 sk.	Cement Service Charge				
R-211	1 ea.	Casing Cement Pumper, 5,001' - 9,900'				
R-701	1 ea.	Cement Head Rental				
		Discounted Price =		\$ 7,164.03		
		Plus taxes				

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JAN 10 2006
CONSERVATION DIVISION
WICHITA, KS

As consideration, the Customer agrees:

a) To pay ACID SERVICES, LLC in accord with the rates and terms stated in ACID SERVICES, LLC's current price list. Invoices are payable NET 30 after date of invoice. Upon Customers' default payment of Customer's account by the last day of the month following the month in which the invoice is dated, Customer agrees to pay interest thereon after default at the highest lawful contract rate applicable but never to exceed 18% per annum. In the event it becomes necessary to employ attorneys to enforce collection of said account, Customer agrees to pay all collection cost and attorney fees in the amount of the unpaid account.

b) To defend, indemnify, release and hold harmless ACID SERVICES, LLC, its divisions, subsidiaries, parent and affiliated companies and the officers, directors, employees, agents and servants of all of them from and against any claims, liability, expenses, attorney's fees, and costs of defense to the extent permitted by law for:

1. Damage to property owned by, in the possession of, or leased by Customer, and/or the well owner (if different from Customer), including, but not limited to, surface and subsurface damage. The term "well owner" shall include working and royalty interest owners.
2. Reservoir, formation, or well loss or damage, subsurface trespass or any action in the nature thereof.
3. Personal injury of death or property damage (including, but not limited to, damage to the reservoir, formation or well), or any damages whatsoever, growing out of or in any way connected with or resulting from pollution, subsurface pressure, losing control of the well and/or a well blowout or the use of radioactive material. The amount of this invoice is due and payable at ACID SERVICES, LLC, Dept. No. 1131, Tulsa, Oklahoma 74182. All terms of the Service Order with customer are incorporated herein and made a part hereof by reference.

The defense, indemnity, release and hold harmless obligations of Customer provided for in this Section b) and Section c) below shall apply to claims or liability even if caused or contributed to by ACID SERVICES, LLC's negligence, strict liability, or operated, or furnished by ACID SERVICES, LLC or any defect in the data, products, supplies, materials, or equipment of ACID SERVICES, LLC whether the preparation, design, manufacture, distribution, or marketing thereof, or from a failure to warn any person of such defect. Such defense, indemnity, release and hold harmless obligations of Customer shall not apply where the claims or liability are caused by the gross negligence or willful misconduct of ACID SERVICES, LLC. The term "ACID SERVICES, LLC" as used in said Sections b) and c) shall mean ACID SERVICES, LLC, its divisions, subsidiaries, parent and affiliated companies, and the officers, directors, employees, agents and servants of all of them.

c) That because of the uncertainty of variable well conditions and the necessity of relying on facts and supporting services furnished by others, ACID SERVICES, LLC is unable to guarantee the effectiveness of the products, supplies, or materials, nor the results of any treatment or service, nor the accuracy of any chart interpretation, research analysis, job recommendation or other data furnished by ACID SERVICES, LLC. ACID SERVICES, LLC personnel will use their best efforts in gathering such information and their best judgment in interpreting it, but Customer agrees that ACID SERVICES, LLC shall not be liable for and Customer shall indemnify ACID SERVICES, LLC against any damages from the use of such information.

d) That ACID SERVICES, LLC warrants only title to the products, supplies, and materials and that the same are free from defects in workmanship and materials. THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED OF MERCHANTABILITY, FITNESS OR OTHERWISE WHICH EXTEND BEYOND THOSE STATED IN THE IMMEDIATELY PRECEDING SENTENCE. Acid Services LLC's liability and Customer's exclusive remedy in and cause of action (whether in contract, tort, breach of warranty or otherwise) arising out of the sale or use of any products, supplies or materials is expressly limited to the replacement of such products, supplies or materials on their return to ACID SERVICES, LLC or, at ACID SERVICES, LLC's option, to the allowance to the Customer of credit for the cost of such items. In no event shall ACID SERVICES, LLC be liable for special, incidental, indirect, punitive or consequential damages.

e) To waive the provisions of the Deceptive Trade Practices - Consumer Protection Act, to the extent permitted by law. We certify that the Fair Labor Standards Act of 1938, as amended, has been complied with in the production of goods and/or with respect to service furnished under this contract.

f) That this contract shall be governed by the law of the state where services are performed or materials are furnished.

g) That ACID SERVICES, LLC shall not be bound by any changes or modifications in this contract, except where such change or modification is made in writing by a duly authorized manager of ACID SERVICES, LLC.