

Operator Name: Downing Nelson Oil Co., Inc Lease Name: CLEGHORN Well #: 1-35
 Sec. 35 Twp. 13 S. R. 21 East West County: TREGO

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 <i>(Attach Additional Sheets)</i> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum | <input type="checkbox"/> Sample | |
| Samples Sent to Geological Survey | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | Name | Top | Datum |
| Cores Taken | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | TOP ANHYDRITE | 1666 | +657 |
| Electric Log Run <i>(Submit Copy)</i> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | BASE ANHYDRITE | 1713 | +610 |
| List All E. Logs Run: | | TOPEKA | 3374 | -1051 |
| | | HEEBNER | 3609 | -1286 |
| | | TORONTO | 3628 | -1305 |
| | | LKC | 3646 | -1323 |
| | | BKC | 3890 | -1638 |
| | | MARMATON | 3961 | -1682 |

Dual Induction, Compensated Density, Micro and Sonic

| 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 | 12 1/4" | 8 5/8" | 20 | 223.27 | COMMON | 150 | 2% Gel & 3% CC |
| Production St. | 7 7/8 | 5 1/2 | 14 | 4127.65 | EA/2 | 150 | |
| | | | DV Tool @ | 1675 | SMDC | 180 | |

| 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 |
|----------------|---|--|-------------|
| 4 | 3980' to 3988' | 500 GALLONS 15% INS Acid | 3980'-3988' |
| | | Profrac 7000 gal Gelled Pad | |
| | | | |
| | | | |

| | | | | | | |
|--|-----------|---------|--|---------------|-----------|---|
| TUBING RECORD | | Size | Set At | Packer At | Liner Run | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| | | 2 3/8 | 4033.74 | | | |
| Date of First, Resumerd Production, SWD or Enhr. | | | Producing Method | | | |
| 03/05/07 | | | <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other <i>(Explain)</i> | | | |
| Estimated Production Per 24 Hours | Oil Bbls. | Gas Mcf | Water Bbls. | Gas-Oil Ratio | Gravity | |
| | 40 | 0 | 15 | | 35 | |

Disposition of Gas METHOD OF COMPLETION Production Interval

Vented Sold Used on Lease Open Hole Perf. Dually Comp. Commingled
(If vented, Submit ACO-18.) Other *(Specify)*

Downing & Nelson Oil Company
PO Box 372
Hays, KS 67601

API No. 15-195-22,418-00-00

Cleghorn #1-35

35-13s-21w

Continuation of Tops

| Name | Top | Datum |
|-------------------|------|-------|
| Cherokee Shale | 4005 | -1682 |
| Cherokee Sand | 4018 | -1695 |
| Reworked Arbuckle | 4062 | -1739 |
| Clean Arbuckle | 4107 | -1784 |

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Allied Cementing Co., Inc
P.O. Box 31
Russell, KS 67665

* * * * *
* I N V O I C E *
* * * * *

Invoice Number: 106192
Invoice Date: 01/23/07

Sold Downing Nelson Oil Co.Inc
To: P. O., Box 372
Hays, KS
67601

Cust I.D.....: Down
P.O. Number...: Cleghorn 1-35
P.O. Date.....: 01/23/07

Due Date.: 02/22/07
Terms....: Net 30

| Item I.D./Desc. | Qty. Used | Unit | Price | Net | TX |
|----------------------------|-----------|------|----------|---------|----|
| Common | 160.00 | SKS | 10.6500 | 1704.00 | T |
| Gel | 3.00 | SKS | 16.6500 | 49.95 | T |
| Chloride | 5.00 | SKS | 46.6000 | 233.00 | T |
| Handling | 168.00 | SKS | 1.9000 | 319.20 | E |
| Mileage | 50.00 | MILE | 15.1200 | 756.00 | E |
| 168 sks @>09 per sk per mi | | | | | |
| Surface | 1.00 | JOB | 815.0000 | 815.00 | E |
| Mileage pmp trk | 50.00 | MILE | 6.0000 | 300.00 | E |

All Prices Are Net, Payable 30 Days Following
Date of Invoice. 1 1/2% Charged Thereafter.
If Account CURRENT take Discount of 47.71
ONLY if paid within 30 days from Invoice Date

| | |
|------------|---------|
| Subtotal: | 4177.15 |
| Tax.....: | 105.31 |
| Payments: | 0.00 |
| Total....: | 4282.46 |

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SWIFT



Services, Inc.

P. O. Box 466
Ness City, KS 67560
Off: 785-798-2300



Invoice

| | |
|-----------|-----------|
| DATE | INVOICE # |
| 1/20/2007 | 11690 |

| |
|---|
| BILL TO |
| Downing Nelson Oil Co. Inc. PO Box 372 Hays, KS 67601 |

- Acidizing
- Cement
- Tool Rental

| TERMS | Well No. | Lease | County | Contractor | Well Type | Well Category | Job Purpose | Operator |
|--------|----------|----------|--------|-----------------------|-----------|---------------|---------------------|----------|
| Net 30 | #1-35 | Clayhorn | Ellis | Discovery Drilling... | Oil | Development | Cement 5-1/2" Pr... | Roger |

| PRICE REF. | DESCRIPTION | QTY | UM | UNIT PRICE | AMOUNT |
|------------|--|-----|-----------|------------|-----------|
| 575D | Mileage - 1 Way | 40 | Miles | 4.00 | 160.00 |
| 579D | Pump Charge - Two-Stage | 1 | Job | 1,750.00 | 1,750.00 |
| 407-5 | 5 1/2" Insert Float Shoe With Auto Fill | 1 | Each | 310.00 | 310.00T |
| 417-5 | 5 1/2" D.V. Latch Down Plug & Baffle | 1 | Each | 200.00 | 200.00T |
| 408-5 | 5 1/2" D.V. Tool & Plug Set | 1 | Each | 3,000.00 | 3,000.00T |
| 402-5 | 5 1/2" Centralizer | 8 | Each | 80.00 | 640.00T |
| 403-5 | 5 1/2" Cement Basket | 1 | Each | 280.00 | 280.00T |
| 281 | Mud Flush | 500 | Gallon(s) | 0.75 | 375.00T |
| 221 | Liquid KCL (Clayfix) | 4 | Gallon(s) | 26.00 | 104.00T |
| 419-5 | 5 1/2" Rotating Head Rental | 1 | Each | 250.00 | 250.00T |
| 325 | Standard Cement | 150 | Sacks | 11.50 | 1,725.00T |
| 330 | Swift Multi-Density Standard (MIDCON II) | 180 | Sacks | 14.00 | 2,520.00T |
| 284 | Calseal | 7 | Sack(s) | 30.00 | 210.00T |
| 283 | Salt | 750 | Lb(s) | 0.20 | 150.00T |
| 285 | CFR-1 | 70 | Lb(s) | 4.00 | 280.00T |
| 276 | Flocele | 83 | Lb(s) | 1.25 | 103.75T |
| 581D | Service Charge Cement | 330 | Sacks | 1.10 | 363.00 |
| 583D | Drayage | 673 | Ton Miles | 1.00 | 673.00 |
| | Subtotal | | | | 13,093.75 |
| | Sales Tax Ellis County | | | 5.30% | 537.83 |

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Thank You For Your Business In 2006!
We Look Forward To Serving You In 2007!

Total \$13,631.58