

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

Operator: License # 4485
Name: Verde Oil Company
Address: 8700 Crownhill, Suite 800
City/State/Zip: San Antonio, TX 78209-1197
Purchaser: Bluestem Pipeline, LLC
Operator Contact Person: Jeffrey L. Dale
Phone: (620) 754-3800
Contractor: Name: McPherson Drilling
License: 5675
Wellsite Geologist: Jeffrey L. Dale

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>February 2, 2004</u>	<u>February 3, 2004</u>	<u>February 24, 2004</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 133-26026-00-00
County: Neosho
NE SW SE NE Sec. 26 Twp. 29 S. R. 17 East West
3200 feet from S N (circle one) Line of Section
965 feet from E W (circle one) Line of Section

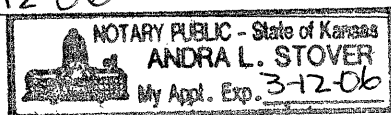
Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Stitt C Well #: 42-26
Field Name: Thayer
Producing Formation: Cherokee coals
Elevation: Ground: 934' Kelly Bushing: NA
Total Depth: 921' Plug Back Total Depth: 900'
Amount of Surface Pipe Set and Cemented at 23' Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set _____ Feet
If Alternate II completion, cement circulated from 910
feet depth to 0 w/ 140 sx cmt.

Drilling Fluid Management Plan Alt #2 KJR 6/15/07
(Data must be collected from the Reserve Pit)
Chloride content 100 ppm Fluid volume 80 bbls
Dewatering method used Evaporation
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: Geologist Date: October 7, 2004
Subscribed and sworn to before me this 07 day of October,
20 04.
Notary Public: Andra L. Stover
Date Commission Expires: 3-12-06



KCC Office Use ONLY

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

Operator Name: Verde Oil Company Lease Name: Stitt C Well #: 42-26
 Sec. 26 Twp. 29 S. R. 17 East West County: Neosho

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: Dual Porosity - Guard, Density - Neutron, Differential Temperature, Gamma Ray - Neutron - Casing Collar	<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:60%;">Name</td> <td style="width:20%;">Top</td> <td style="width:20%;">Datum</td> </tr> <tr> <td>Base of Kansas City</td> <td>315'</td> <td>+619'</td> </tr> <tr> <td>Pawnee</td> <td>538'</td> <td>+396'</td> </tr> <tr> <td>Oswego</td> <td>608'</td> <td>+326'</td> </tr> <tr> <td>Bartlesville</td> <td>849'</td> <td>+85'</td> </tr> </table>	Name	Top	Datum	Base of Kansas City	315'	+619'	Pawnee	538'	+396'	Oswego	608'	+326'	Bartlesville	849'	+85'
Name	Top	Datum														
Base of Kansas City	315'	+619'														
Pawnee	538'	+396'														
Oswego	608'	+326'														
Bartlesville	849'	+85'														

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 casing	11"	8-5/8"	23	23	A Portland	4	none
Production casing	6-3/4"	4-1/2"	9.5	910'	A Portland	140	50/50 poz, 2% gel
							5% gilsonite, 1/4# sx salt

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
3	632' - 638' 19 shots	Acidize w/250 gal. 15% HCL. Frac w/	632' - 652'
3	646' - 652' 19 shots	12,650# 20-40 sand, 20# gel system, 2% KCL. 365 bbl water @ 14 BPM	

TUBING RECORD		Size <u>2-3/8"</u>	Set At <u>744'</u>	Packer At <u>NA</u>	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enh. <u>February 24, 2004</u>		Producing Method <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)			
Estimated Production Per 24 Hours	Oil Bbls. <u>0</u>	Gas Mcf <u>28</u>	Water Bbls. <u>47</u>	Gas-Oil Ratio <u>NA</u>	Gravity <u>NA</u>

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



CONSOLIDATED
OIL WELL
SERVICES
AN INFINITY COMPANY

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

RECEIVED
OCT 12 2004
KCC WICHITA

TICKET NUMBER 24189

LOCATION Chanute

FIELD TICKET

42-26

DATE	CUSTOMER ACCT #	WELL NAME	QTR/QTR	SECTION	TWP	RGE	COUNTY	FORMATION
2/4/04	8520	5111-C		26	29	17	NO	
CHARGE TO <u>Verde 0:1</u>				OWNER				
MAILING ADDRESS <u>3345 Arizona Rd</u>				OPERATOR				
CITY & STATE <u>Sawarburg KS 66772</u>				CONTRACTOR				

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION OF SERVICES OR PRODUCT	UNIT PRICE	TOTAL AMOUNT
5401	1 well	PUMP CHARGE Cement Pump		525-
1110	15 sacks	Gilsonite		291.00
1111	375 # salt	Salt		93.75
1118	5 SK	Prem Gel (3 In load) (2 Ahead of Job)		59.00
4404	1	4 1/2 Rubber Plug		27.-
1107	1.2 SK	Floesal (1 SK)		37.75
1123	4000 Gal	City Water		45-
5407	18 mi	BLENDING & HANDLING TON-MILES Delivery	Min.	190-
5501	3.4 hr	STAND BY TIME MILEAGE WATER TRANSPORTS (3 HRS.) VACUUM TRUCKS FRAC SAND		240-
1131	140 SK	CEMENT 50/50 2% Gel 5th Gilsonite 1/4 Floesal 5% Salt		924-
			SALES TAX	93.08
			ESTIMATED TOTAL	2525.58

Rev 2290

2388
+T

CUSTOMER or AGENTS SIGNATURE

AS FOREMAN

CUSTOMER or AGENT (PLEASE PRINT)

DATE

Thank you!
Dwayne 188856
We appreciate your business!

McPherson Drilling LLC Drillers Log

Rig Number: 1	S. 26	T. 29	R. 17
API No. 15- 133-26026	County: Neosho		
Elev. 934'	Location:		

Gas Tests:		
541'	3.92	MCF
641'	1.06	MCF
661'	10.90	MCF
721'	19.90	MCF
781'	20.90	MCF
921'	20.90	MCF

RECEIVED
OCT 12 2004
KCC WICHITA

Comments:

Operator:	Verde Oil Company		
Address:	8700 Crownhill, Suite 800 San Antonio, TX 78209-1197		
Well No:	42-26	Lease Name:	Stitt C
Footage Location:	3200 ft. from the	South	Line
	965 ft. from the	East	Line
Drilling Contractor:	McPherson Drilling LLC		
Spud date:	2/2/2004	Geologist:	Jeff Dale
Date Completed:	2/3/2004	Total Depth:	921'

Casing Record			Rig Time:
	Surface	Production	1 1/2 hrs. Gas tests
Size Hole:	11"	6 3/4"	
Size Casing:	8 5/8"		
Weight:	23#		
Setting Depth:	23'	McPherson	
Type Cement:	Portland		
Sacks:	4	McPherson	

Well Log										
Formation	Top	Btm.		Formation	Top	Btm.		Formation	Top	Btm.
soil	0	3		lime	536	566		sand/shale	890	921 TD
shale	3	63		coal	566	567				
lime	63	65		shale	567	570				
shale	65	103		sand	570	600				
lime	103	165		coal	600	601				
sand	165	190		shale	601	605				
sand/shale	190	195		Osw lime	605	628				
sand	195	210		Summit	628	636				
coal	210	211		lime	636	695				
shale	211	217		Mulky	695	649				
lime	217	245		lime	649	652				
shale	245	255		sand	652	660				
lime	255	313		shale	660	717				
shale	313	370		coal	717	718				
lime	370	380		shale	718	740				
sand	380	405		blk shale	740	742				
lime	405	418		shale	742	750				
sand/shale	418	456		sand/shale	750	775				
coal	456	457		coal	775	776				
shale	457	465		sand/shale	776	843				
sand	465	490		coal	843	844				
shale	490	527		sand	844	854				
pink lime	527	531		sand/shale	854	875				
shale blk	531	536		sand (odor)	875	890				