

**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**

Operator: License # 5474  
Name: NORTHERN LIGHTS OIL CO., LC  
Address: P.O. BOX 164  
City/State/Zip: ANDOVER, KS 67002  
Purchaser: NCRA  
Operator Contact Person: KURT SMITH  
Phone: (316) 733-1515  
Contractor: Name: MALLARD JV  
License: 4958  
Wellsite Geologist: JEFF CHRISTIAN

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>6-2-06</u>	<u>6-9-06</u>	<u>6-9-06</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 065-23166-00-00  
County: GRAHAM  
nw ne se se Sec. 21 Twp. 6 S. R. 22  East  West  
1020 feet from (S) N (circle one) Line of Section  
560 feet from (E) W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:  
(circle one) NE (SE) NW SW  
Lease Name: Elizabeth Well #: 1  
Field Name: WC

Producing Formation: LKC  
Elevation: Ground: 2310. Kelly Bushing: 2315  
Total Depth: 3917 Plug Back Total Depth: 3916  
Amount of Surface Pipe Set and Cemented at 259 Feet  
Multiple Stage Cementing Collar Used?  Yes  No  
If yes, show depth set 1996 Feet  
If Alternate II completion, cement circulated from 1996  
feet depth to surface w/ 300 sx cmt.

Drilling Fluid Management Plan  
(Data must be collected from the Reserve Pit) Art II with 7-1702  
Chloride content 2000 ppm Fluid volume 2500 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.: \_\_\_\_\_

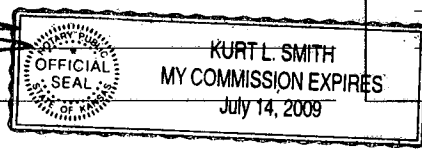
**INSTRUCTIONS:** An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information 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: MANAGING PARTNER Date: \_\_\_\_\_

Subscribed and sworn to before me this 9<sup>th</sup> day of JULY, 2006.

Notary Public: [Signature]  
Date Commission Expires: \_\_\_\_\_



**KCC Office Use ONLY**

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

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Operator Name: NORTHERN LIGHTS OIL CO., LC Lease Name: Elizabeth **JUL 06 2006** Well #: 1  
 Sec. 21 Twp. 6 S. R. 22 East  West County: GRAHAM **CONFIDENTIAL**

**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 No	<table border="1"> <tr> <td><input checked="" type="checkbox"/> Log</td> <td>Formation (Top), Depth and Datum</td> <td>Sample</td> </tr> <tr> <td>Name</td> <td>Top</td> <td>Datum</td> </tr> <tr> <td>Anhydrite</td> <td>1964</td> <td>+351</td> </tr> <tr> <td>LKC</td> <td>3562</td> <td>-1247</td> </tr> <tr> <td>BKC</td> <td>3746</td> <td>-1431</td> </tr> <tr> <td>LTD</td> <td>3917</td> <td>-1602</td> </tr> </table>	<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	Sample	Name	Top	Datum	Anhydrite	1964	+351	LKC	3562	-1247	BKC	3746	-1431	LTD	3917	-1602
<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum		Sample																	
Name	Top		Datum																	
Anhydrite	1964		+351																	
LKC	3562		-1247																	
BKC	3746	-1431																		
LTD	3917	-1602																		
Samples Sent to Geological Survey	<input checked="" type="checkbox"/> Yes No																			
Cores Taken	Yes <input checked="" type="checkbox"/> No																			
Electric Log Run <i>(Submit Copy)</i>	<input checked="" type="checkbox"/> Yes No																			
List All E. Logs Run:  RAG																				

CASING RECORD <input checked="" type="checkbox"/> New 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	23#	259	common	180	3%gel2%cc
Production	7 7/8	5 1/2	14#	3916	EA2	150	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 Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record <i>(Amount and Kind of Material Used)</i>	Depth
4	3628-31	250 GAL MCA, 375 GAL NE FE	3628-31
4	3622-26	250 GAL MCA, 375 GAL NE FE	3622-26
4	3562-66	300 gal MCA	3562-66
4	3544-48	250 GAL MCA, 1000 GAL NE FE	3544-48
4	3490-92	250 GAL MCA, 1000 GAL NE FE	3490-92

TUBING RECORD	Size	Set At	Packer At	Liner Run
	2 7/8	3650		Yes <input checked="" type="checkbox"/> No

Date of First, Resumed Production, SWD or Enhr.	Producing Method
7-6-2006	Flowing <input type="checkbox"/> Pumping <input checked="" 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
	80	--	10		

Disposition of Gas:  Vented  Sold  Used on Lease  Open Hole  Perf.  Dually Comp.  Commingled  Other *(Specify)*

METHOD OF COMPLETION:  Other *(Specify)*

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CHARGE TO: *Northern Lights*  
 ADDRESS:  
 CITY, STATE, ZIP CODE:

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TICKET No 10601

PAGE 1 OF 2

SERVICE LOCATIONS: 1. *Hays, KS* 2. *Ness City, KS*  
 WELL/PROJECT NO. #1 LEASE *Elizabeth* COUNTY/PARISH *Graham* STATE *Ks* DATE *6-9-06* OWNER *Same*  
 TICKET TYPE:  SERVICE  SALES CONTRACTOR *Mallard Drlg* RIG NAME/NO. SHIPPED VIA *ctf* DELIVERED TO *Location* ORDER NO.  
 WELL TYPE *oil* WELL CATEGORY *Development* JOB PURPOSE *Cement 2-stage* WELL PERMIT NO. WELL LOCATION  
 REFERRAL LOCATION INVOICE INSTRUCTIONS

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		UNIT PRICE		AMOUNT
		LOC	ACCT	DF		QTY.	U/M	QTY.	U/M	
575		1			MILEAGE #103	70	mi	4	00	280 00
579		1			Pump Charge 2-stage	1	yd	3922	00	1600 00
281		1			Mud Flush	500	gal		75	375 00
221		1			KCL	20	gal		26	52 00
407		1			Insert Float Shoe	1	ea	5 1/2	00	250 00
417		1			D.V.L.D. Plug & Baffle	1	ea		200	200 00
408		1			DV Tool	1	ea		2800	2800 00
402		1			Centralizers	10	ea		60	600 00
403		1			Baskets	2	ea		230	460 00
419		1			Rotating Head	1	ea		250	250 00

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**LEGAL TERMS:** Customer hereby acknowledges and agrees to the terms and conditions on the reverse side hereof which include, but are not limited to, **PAYMENT, RELEASE, INDEMNITY, and LIMITED WARRANTY** provisions.

MUST BE SIGNED BY CUSTOMER OR CUSTOMER'S AGENT PRIOR TO START OF WORK OR DELIVERY OF GOODS

*[Signature]*  
 DATE SIGNED *6-9-06* TIME SIGNED *1745*  A.M.  P.M.

REMIT PAYMENT TO:  
 SWIFT SERVICES, INC.  
 P.O. BOX 466  
 NESS CITY, KS 67560  
 785-798-2300

SURVEY	AGREE	UN-DECIDED	DIS-AGREE	PAGE TOTAL	AMOUNT
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?				page 2	6887 00
WE UNDERSTOOD AND MET YOUR NEEDS?					2898 15
OUR SERVICE WAS PERFORMED WITHOUT DELAY?				subtotal	14765 15
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?				Graham TAX 5.55%	600 07
ARE YOU SATISFIED WITH OUR SERVICE? <input type="checkbox"/> YES <input type="checkbox"/> NO				TOTAL	15,365 22
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND					



**JOB LOG**

**SWIFT Services, Inc.**

DATE 6-9-06 PAGE NO. 1

CUSTOMER Northern Lights WELL NO. #1 LEASE Elizabeth JOB TYPE Cement 2-stage TICKET NO. 10601

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	1230							on loc) set up Trks
								5 1/2" x 14" x 3922' x 42' 55"
								Cent. on 2, 4, 6, 8, 10, 12, 14, 16, 44, 65
								Basket on 45, 66
								DV Tool Top 45 @ 1996'
	1320							Start FE
	1515							Break Circulation
	1600	4	0			200		start Preflushes <sup>several mud flush</sup> 20 bbl KCl flush
	1608	4.5	32/0			200		start Cement 15 sacks EA-2
	1617		36					End Cement / wash Pch / Drop Plug
	1620	6.5	0			150		start Displacement water
	1628	6.5	48			200		mud
	1635		94			500 / 1100		Land Plug
								Release Pressure
								Float Held
	1637							Drop Opening Plug
	1650					1000		Open D.V. Tool
								Circulate 2 hrs
								2nd Stage
	1850	2	3/2					Plug RHPMH
	1900	4	0			200		start KCl flush
	1908	6.5	32/0			250		start Cement
	1930		166					End Cement
								Drop Plug
	1934	6.5	0			250		start Displacement
	1940		48			500 / 1100		Land Plug
								Release Pressure
								DV Closed
								Circulated cement topit
								Thank you
								Nick, Josh, Sean & Brett

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# ALLIED CEMENTING CO., INC. 23748

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

JUL 06 2006

SERVICE POINT:

Oakley

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DATE <u>6-2-06</u>	SEC. <u>21</u>	TWP. <u>6<sup>S</sup></u>	RANGE <u>22<sup>W</sup></u>	CALLED OUT	ON LOCATION <u>7:30 Pm</u>	JOB START <u>8:00 Pm</u>	JOB FINISH <u>8:15 Pm</u>
LEASE <u>Elizabeth</u>	WELL # <u>1</u>	LOCATION <u>Hill City 4E-9 1/2 N</u>			COUNTY <u>Graham</u>	STATE <u>Kan</u>	
OLD OR <u>(NEW)</u> (Circle one)							

CONTRACTOR Mallard Drilling Co

TYPE OF JOB Surface

HOLE SIZE 12 1/4 T.D. 259'

CASING SIZE 8 5/8 DEPTH 259'

TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_

DRILL PIPE \_\_\_\_\_ DEPTH \_\_\_\_\_

TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_

PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_

MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_

CEMENT LEFT IN CSG. 15'

PERFS. \_\_\_\_\_

DISPLACEMENT 15 1/2 BBL

OWNER Same

CEMENT

AMOUNT ORDERED 180 SKS COM

3% CC - 2% Gel

**EQUIPMENT**

PUMP TRUCK CEMENTER Walt

# 102 HELPER

BULK TRUCK

# 315 DRIVER Larry

BULK TRUCK

# \_\_\_\_\_ DRIVER \_\_\_\_\_

COMMON	<u>180 SKS</u>	@	<u>12<sup>20</sup></u>	<u>2,196<sup>00</sup></u>
POZMIX		@		
GEL	<u>3 SKS</u>	@	<u>16<sup>65</sup></u>	<u>49<sup>95</sup></u>
CHLORIDE	<u>6 SKS</u>	@	<u>46<sup>60</sup></u>	<u>279<sup>60</sup></u>
ASC		@		
<b>RECEIVED</b>				
<u>JUL 12 2006</u>				
<b>KCC WICHITA</b>				
HANDLING	<u>189 SKS</u>	@	<u>190</u>	<u>359<sup>10</sup></u>
MILEAGE	<u>84 per SK/mile</u>			<u>1,285<sup>20</sup></u>
TOTAL				<u>4,169<sup>85</sup></u>

REMARKS:

Cement in Cells

Thank You

CHARGE TO: Northern Lights Oil Co

STREET \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

**SERVICE**

DEPTH OF JOB			
PUMP TRUCK CHARGE			<u>815<sup>00</sup></u>
EXTRA FOOTAGE		@	
MILEAGE	<u>8.5 miles</u>	@	<u>5<sup>00</sup></u> <u>425<sup>00</sup></u>
MANIFOLD		@	
		@	
		@	
TOTAL <u>1,240<sup>00</sup></u>			

**PLUG & FLOAT EQUIPMENT**

<u>8 5/8</u>			
<u>8 5/8 Surface Plug</u>	@		<u>60<sup>00</sup></u>
	@		
	@		
	@		
TOTAL <u>60<sup>00</sup></u>			

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.

TAX \_\_\_\_\_

TOTAL CHARGE \_\_\_\_\_

DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS

SIGNATURE LAVON R URBAN

LAVON R URBAN

PRINTED NAME

## GENERAL TERMS AND CONDITIONS

DEFINITIONS: In these terms and conditions, "Allied" shall mean Allied Cementing Co., Inc., and "Customer" shall refer to the party identified by that term on the front of this contract. As applicable, "Job" relates to the services described on the front side of this contract, "merchandise" refers to the material described on the front of this contract and to any other materials, products, or supplies used, sold, or furnished under the requirements of this contract.

—TERMS: Unless satisfactory credit has been established, "CUSTOMER" must tender full cash payment to "ALLIED" before the job is undertaken or merchandise is delivered. If satisfactory credit has been established, the terms of payment for the job and/or merchandise, including bulk cement, are net cash, payable in 30 days from the completion of the job and/or delivery of the merchandise. For all past due invoices, "CUSTOMER" agrees to pay interest on amounts invoiced at a rate of 18 percent per annum until paid. Notwithstanding the foregoing, in no event shall this Contract provide for interest exceeding the maximum rate of interest that "CUSTOMER" may agree to pay under applicable law. If any such interest should be provided for, it shall be and hereby is deemed to be a mistake, and this contract shall be automatically reformed to lower the rate of interest to the maximum legal contract rate, any amounts previously paid as excess interest shall be deducted from the amounts owing from the "CUSTOMER" or at the option of "ALLIED," refunded directly to "CUSTOMER." For purposes of this paragraph, ALLIED and CUSTOMER agree that KANSAS law shall apply. Any discounts granted with this contract are null and void if the charges are not paid when due.

—ATTORNEY FEES: In any legal action or proceeding between the parties to enforce any of the terms of this Service Contract, or in any way pertaining to the terms of this Contract, the prevailing party shall be entitled to recover all expenses, including, but not limited to, a reasonable sum as and for attorney's fees.

—PRICES AND TAXES: All merchandise listed in "ALLIED'S" current price schedule are F.O.B. ALLIED'S local station and are subject to change without notice. All prices are exclusive of any federal, state, local, or special taxes for the sale or use of the merchandise or services listed. The amount of taxes required to be paid by ALLIED shall be added to the quoted prices charged to CUSTOMER.

—TOWING CHARGES: ALLIED will make a reasonable attempt to get to and from each job site using its own equipment. Should ALLIED be unable to do so because of poor or inadequate road conditions, and should it become necessary to employ a tractor or other pulling equipment to get to or from the job site, the tractor or pulling equipment will be supplied by CUSTOMER or, if furnished by ALLIED, will be charged to and paid by CUSTOMER.

—PREPARATION CHARGES: If a job and/or merchandise is ordered and CUSTOMER cancels the order after preparation of a chemical solution or other material, CUSTOMER will pay ALLIED for the expenses incurred by ALLIED as a result of the cancellation.

—DEADHAUL CHARGES: Unless otherwise specified on the front of this Contract, a deadhaul charge as set forth in ALLIED'S current price book will be charged each way for each service unit which is ordered by CUSTOMER but not used.

—SERVICE CONDITIONS AND LIABILITIES: 1. ALLIED carries public liability and property damage insurance, but since there are so many uncertain and unknown conditions beyond ALLIED'S control, ALLIED shall not be liable for injuries to property or persons or for loss or damage arising from the performance of the job or delivery of the merchandise. Customer shall be responsible for and indemnify, defend, and hold harmless ALLIED, its officers, agents and employees, from and against any and all claims or suits for:

(A) Damage to property or for bodily injury, sickness, disease, or death, brought by any person, including CUSTOMER and/or the well owner; and:

(B) Oil spills, pollution, surface or sub-surface damage, injury to the well, reservoir loss, or damage arising from a well blowout arising out of or in connection with ALLIED'S performance of the job or furnishing of merchandise in accordance with this contract, unless such loss or damage is caused by the willful misconduct or gross negligence of ALLIED or its employees:

2. With respect to any of ALLIED'S tools, equipment, or instruments which are lost in the well or damaged when performing or attempting to perform the job or, in the case of marine operations, are lost or damaged at any time after delivery to the landing for CUSTOMER and before return to ALLIED at the landing, CUSTOMER shall either recover the lost item without cost to ALLIED or reimburse ALLIED the current replacement cost of the item unless the loss or damage results from the sole negligence of ALLIED or its employees.

3. ALLIED does not assume any liability or responsibility for damages or conditions resulting from chemical action in cements caused by contamination of water or other fluids.

WARRANTIES: 1. ALLIED warrants all merchandise manufactured or furnished by it to be free from defects in material and workmanship under normal use and service when installed, and used, and/or serviced in the manner provided and intended. ALLIED'S obligation under this warranty is expressly limited to repair, replacement, or allowance for credit, at its option, for any merchandise which is determined by ALLIED to be defective. THIS IS THE SOLE WARRANTY OF ALLIED AND NO OTHER WARRANTY IS APPLICABLE, EITHER EXPRESS OR OTHERWISE IMPLIED, IN FACT OR IN LAW, INCLUDING ANY WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE, CUSTOMER'S sole and only remedy with regard to any defective merchandise shall be the repair or replacement thereof or allowance for credit as herein provided, and ALLIED shall not be liable for any consequential, special, incidental, or punitive damages resulting from or caused by defective materials, products or supplies.

2. More specifically:

(A) Nothing in this contract shall be construed as a warranty by ALLIED of the success or the effectiveness of the result of any work done or merchandise used, sold, or furnished under this contract.

(B) Nothing in this contract shall be construed as a warranty of the accuracy or correctness of any facts, information, or data furnished by ALLIED or any interpretation of tests, meter readings, chart information, analysis of research, or recommendations made by ALLIED, unless the inaccuracy or incorrectness is caused by the wilful misconduct or gross negligence of ALLIED or its employees in the preparation or furnishing of such facts, information or data.

(C) Work done by ALLIED shall be under the direct supervision and control of the CUSTOMER or his agent and ALLIED will accomplish the job as an independent contractor and not as an employee or agent of the CUSTOMER.