

**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE**

Form ACO-1
September 1999
Form Must Be Typed

ORIGINAL

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

**RECEIVED
OCT 12 2004
KCC WICHITA**

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 3, 2004</u>	<u>February 4, 2004</u>	<u>July 9, 2004</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

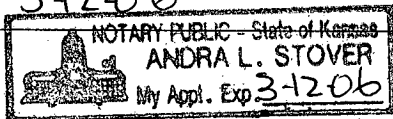
API No. 15 - 133-26027-00-00
 County: Neosho
 NE NE SW SE Sec. 26 Twp. 29 S. R. 17 East West
1320 feet from (S) N (circle one) Line of Section
1650 feet from (E) W (circle one) Line of Section
 Footages Calculated from Nearest Outside Section Corner:
 (circle one) NE (SE) NW SW
 Lease Name: James John Well #: 33-26
 Field Name: Thayer
 Producing Formation: Cherokee coals
 Elevation: Ground: 903' Kelly Bushing: NA
 Total Depth: 921' Plug Back Total Depth: 878'
 Amount of Surface Pipe Set and Cemented at 39 Feet
 Multiple Stage Cementing Collar Used? Yes No
 If yes, show depth set _____ Feet
 If Alternate II completion, cement circulated from 893
 feet depth to 0 w/ 117 sx cmt.

Drilling Fluid Management Plan ALT #2 KJR 7/02/07
 (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: [Signature]
 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: James John Well #: 33-26
 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	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td><input checked="" type="checkbox"/> Log</td> <td>Formation (Top), Depth and Datum</td> <td><input type="checkbox"/> Sample</td> </tr> <tr> <td>Name</td> <td>Top</td> <td>Datum</td> </tr> <tr> <td>Base of Kansas City</td> <td>282'</td> <td>+621'</td> </tr> <tr> <td>Pawnee</td> <td>508'</td> <td>+395'</td> </tr> <tr> <td>Oswego</td> <td>577'</td> <td>+326'</td> </tr> <tr> <td>Bartlesville</td> <td>810'</td> <td>+93'</td> </tr> </table>	<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample	Name	Top	Datum	Base of Kansas City	282'	+621'	Pawnee	508'	+395'	Oswego	577'	+326'	Bartlesville	810'	+93'
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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 casing	11"	8-5/8"	23	39	A Portland	6	None
Production casing	6-3/4"	4-1/2"	9.5	893	A Portland	117	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	600' - 606' 19 shots	Acidize w/250 gal. 15% HCL. Frac w/14,000#	600' - 619'
3	614' - 619' 16 shots	20-40 sand, 20# gel system, 2% KCL, 500 bbl water @ 18 BPM	

TUBING RECORD		Size	Set At	Packer At	Liner Run	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
		2-3/8"	749'	NA		
Date of First, Resumerd Production, SWD or Enhr. July 9, 2004			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.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity	
	0	22	25	NA	NA	

Disposition of Gas			METHOD OF COMPLETION			Production Interval		
<input type="checkbox"/> Vented	<input checked="" type="checkbox"/> Sold	<input type="checkbox"/> Used on Lease	<input type="checkbox"/> Open Hole	<input checked="" type="checkbox"/> Perf.	<input type="checkbox"/> Dually Comp.	<input type="checkbox"/> Commingled		
<i>(If vented, Submit ACO-18.)</i>			<input type="checkbox"/> Other (Specify)					

