

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

Operator: License # 33583
Name: Admiral Bay (USA) Inc.
Address: 7060B S. Tucson Way
City/State/Zip: Centennial, CO 80112
Purchaser: Southern Star
Operator Contact Person: Carol Sears
Phone: (303) 350-1255
Contractor: Name: BC Steel
License: 33711
Wellsite Geologist: Chris Ryan

Designate Type of Completion:

☒ New Well ☐ Re-Entry ☐ Workover
☐ Oil ☐ SWD ☐ SLOW ☐ 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. _____

7/26/06 7/28/06 7/31/06

Spud Date or
Recompletion Date Date Reached TD Completion Date or
Recompletion Date

API No. 15 - 001-29428-00-00

County: Allen

NE NE Sec. 25 Twp. 26 S. R. 17 ☒ East ☐ West

1860 feet from (S) N (circle one) Line of Section

735 feet from (E) W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:

(circle one) NE (SE) NW SW

Lease Name: Markham Well #: 9-25

Field Name: Humboldt-Chanute

Producing Formation: Riverton

Elevation: Ground: 942 Kelly Bushing: _____

Total Depth: 1180 Plug Back Total Depth: _____

Amount of Surface Pipe Set and Cemented at _____ Feet

Multiple Stage Cementing Collar Used? ☐ Yes ☒ No

If yes, show depth set 21 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 _____ ppm Fluid volume _____ bbls

Dewatering method used _____

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: Carol A. Sears

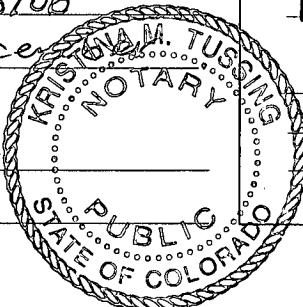
Title: Land Administrator Date: 12/5/06

Subscribed and sworn to before me this 5th day of December

2006

Notary Public: Heather M. Livingston

Date Commission Expires: 5-22-08



KCC Office Use ONLY

N Letter of Confidentiality Received

If Denied, Yes ☐ Date: _____

Wireline Log Received

Geologist Report Received

UIC Distribution

KANSAS CORPORATION COMMISSION

DEC 06 2006

CONSERVATION DIVISION
WICHITA, KS

Operator Name: Admiral Bay (USA) Inc. Lease Name: Markham Well #: 9-25
 Sec. 25 Twp. 26 S. R. 17 ☒ East ☐ West County: Allen

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:

Gamma Ray, Density-Neutron, Mud Log

☒ Log Formation (Top), Depth and Datum ☐ Sample

Name	Top	Datum
Excello	644	298
Bartlesville	889	53
Riverton Coal	1045	-103
Mississippian	1068	-126

CASING RECORD ☐ 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	9 5/8	8 5/8	20	21	Portland	127	
Production	6 3/4	4 1/2	9.5	1165	Thickset	134	Kol & Flo seal; gel

ADDITIONAL CEMENTING / SQUEEZE RECORD

Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
___ Perforate				
___ Protect Casing				
___ Plug Back TD				
___ 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
4	1044.5 - 1047.5	no information in file	

TUBING RECORD	Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr. 11/02/06	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

Disposition of Gas

METHOD OF COMPLETION

Production Interval

☐ Vented ☒ Sold ☐ Used on Lease
 (If vented, Submit ACO-18.)

☐ Open Hole ☒ Perf. ☐ Dually Comp. ☐ Commingled
☐ Other (Specify) _____

RECEIVED
 KANSAS CORPORATION COMMISSION

DEC 06 2006

CONSERVATION DIVISION
 WICHITA, KS

CONSOLIDATED OIL WELL SERVICES, INC.
P.O. BOX 884, CHANUTE, KS 66720
620-431-8210 OR 800-457-8576

TICKET NUMBER 08774
LOCATION Ottawa KS
FOREMAN Fred Maden

TREATMENT REPORT & FIELD TICKET CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
7-31-06	1067	Markham # 9-25	25	26	17	AL
CUSTOMER <u>Admiral Bay Resources</u>			TRUCK #			
MAILING ADDRESS <u>410 N. State</u>			DRIVER			
CITY <u>Iola</u>			TRUCK #			
STATE <u>KS</u>			DRIVER			
ZIP CODE <u>66749</u>			TRUCK #			
			DRIVER			
			TRUCK #			
			DRIVER			
			TRUCK #			
			DRIVER			

JOB TYPE Longstring HOLE SIZE 6 3/4 HOLE DEPTH 1175 CASING SIZE & WEIGHT 4 1/2
CASING DEPTH 1165 DRILL PIPE _____ TUBING _____ OTHER _____
SLURRY WEIGHT _____ SLURRY VOL _____ WATER gal/sk _____ CEMENT LEFT in CASING 4 1/2 Plug
DISPLACEMENT 18.5 BBL DISPLACEMENT PSI _____ MIX PSI _____ RATE 4.8 PM

REMARKS: Establish Circulation. Mix + Pump 200# Premium Gel Flush
Mix + Pump 12.5 BBS Tell tale dye. Follow with 134 SKS
Thickset Cement w/ 5# Kol Seal + 1/4# Flo Seal per sack
Flush Pump + lines clean. Displace 4 1/2" Rubber plug to
1135' Pressure to 1600# PSI. Release pressure to set
Float Valve. Check Plug depth w/ measuring line.

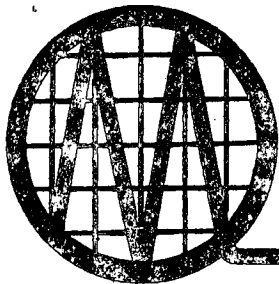
Fred Maden

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
5401	1	PUMP CHARGE Cement Pump 164		800.00
5406	70 mi	MILEAGE Pump Trucks 164		220.50
5407A	10.298 Ton	Ton Mileage 122		462.90
5501C	3 hrs	Transport 505-7106		234.00
1126A	127.5 KS	Thickset Cement		1860.55
118B	200#	Premium Gel		28.00
1110A	670#	Kol Seal		241.20
1107	34#	Flo Seal		62.00
4404	1	4 1/2" Rubber plug		90.00
		Sub Total		4008.25
		RECEIVED KANSAS CORPORATION COMMISSION		
		Tax @ 6.3%		140.65
		DEC 06 2006		
		CONSERVATION DIVISION WICHITA, KS		
		SALES TAX		
		ESTIMATED TOTAL		4148.90

AUTHORIZATION _____

TITLE WOT# 207596

DATE _____



MIDWEST SURVEYS

LOGGING • PERFORATING • CONSULTING • M.I.T. SERVICES

P.O. Box 68 • Osawatomie, KS 66064
Phone 913-755-2128 • Fax 913-755-6533

Perforation Record

Company: Admiral Bay Resources, Inc.

Lease/Field: Markham Lease

Well: # 9-25

County, State: Allen County, Kansas

Service Order #: 17352

Purchase Order #: N/A

Date: 8/9/2006

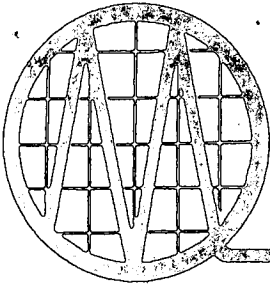
Perforated @: 1044.5 to 1047.5

Type of Jet, Gun
or Charge: 3 3/8" DP 23 Gram Tungsten Expendable Casing Gun

Number of Jets,
Guns or Charges: Thirteen (13)

Casing Size: 4.5"

RECEIVED
KANSAS CORPORATION COMMISSION
DEC 06 2006
CONSERVATION DIVISION
WICHITA, KS



MIDWEST SURVEYS

LOGGING • PERFORATING • M.I.T. SERVICES

P. O. Box 68
Osawatomie, KS 66064
913/755-2128

17352

Date 8/9/06

TERMS AND CONDITIONS: Midwest Surveys is hereby instructed to deliver the equipment or perform the services ordered hereon or as verbally directed, under the terms and conditions printed on the reverse side of this order, which I have read and understand and which I accept as Customer or as Customer's Authorized Agent.

Service and/or Equipment Ordered Perforate.....

SIGN BEFORE COMMENCEMENT OF WORK

Customer's Name Admiral BAY Resources Inc. By _____
Customer's Authorized Representative

Charge to Admiral BAY Resources Inc. Customer's Order No. Jim Morris

Mailing Address.....

Well or Job Name and Number Markham 9-25 County Allen State KANSAS

[illegible]

Total.....\$ 975.00

The above described service and/or material has been received and are hereby accepted and approved for payment.

Customer's Name Admiral BAY Resources Inc.

By Date 8/9/06

Customer's Authorized Representative

Serviced by: Maya Burdick

White — Customer

Canary — Accounting

GENERAL TERMS AND CONDITIONS

It is expressly understood and agreed that Midwest Surveys in rendering any services requested by the customer, does so as an individual contractor recognizing that at all times, the customer has complete custody and control of the well, the conditions created in the well, the drilling equipment and the well premises and all persons, structures, vehicles or other equipment thereon.

In consideration of the agreement to pay the prices as set out in our current price schedule, it is understood that the services and equipment offered by Midwest Surveys will be provided only under the following terms and conditions:

1. The customer shall provide and pay for all necessary roadbeds or other means of access to and from the well site to be serviced, including as necessary, providing tractors or other special means of transportation for our vehicles, equipment and personnel.

2. The customer agrees to protect, indemnify and hold harmless Midwest Surveys, its agents and employees, from any claims, damages or causes of action asserted by customer, customer's employees or third persons, for personal injury or property damage in any way arising out of the performance of the work order by the customer.

3. In accepting an order to perform any service, we do so with the understanding that: we do not guarantee results; we shall not be liable or responsible for any subsurface damage (including, but not limited to, injury to the well) or surface damage arising out of such subsurface damage, or any loss or damage whatsoever caused by our personnel or equipment, irrespective of the cause, growing out of or in any way connected with our subsurface operations or our performing or attempting to perform any such operations.

4. In the event any of our instruments or equipment are lost in the well, Customer shall either recover same without cost to us, or pay for such instruments or equipment. Customer acknowledges that he is aware of the facts that the neutron source used in neutron logging is radioactive and is potentially dangerous; should the neutron source be lost in the well hole that special precautions must be taken in "fishing" in order that the container of the neutron source is not broken or damaged; the neutron source, if not recovered, must be isolated by cementing it in place or by some other appropriate means; and the radioactive material is dangerous to humans and animals.

5. In case it is necessary for Customer to "fish" for any of our instruments or equipment. Customer assumes the entire responsibility for such operations, but we will, if so desired by Customer, without any responsibility or liability on our part, render assistance in an advisory capacity for the recovery of such equipment and instruments. None of our employees are authorized to do anything other than advise and consult with Customer in connection with such "fishing" operations, and any "fishing" tools furnished by us are furnished solely as an accommodation to Customer, and we shall not be liable or responsible for any damage that Customer may incur or sustain through their use or by reason of any advice or assistance rendered to Customer by our agents or employees, irrespective of cause.

6. In accepting an order to perform or attempt to perform any service involving the use of radioactive material, we do so with the understanding that: we do not guarantee results and shall not be liable or responsible for injury to or death of persons or damage to property (including, but not limited to, injury to the well), or any damages whatsoever, irrespective of the cause, growing out of or in any way connected with our use of radioactive material in the well hole, and Customer shall absolve and hold us harmless against all liability for any and all loss, costs, damages and expenses incurred or sustained by Customer or any third party, irrespective of the cause, resulting from any such use of radioactive material in the well hole.

7. In making any interpretation of logs our employees will give Customer the benefit of their best judgment as to the correct interpretation. Nevertheless, since all interpretations are opinions based on inferences from electrical or other measurements, we cannot, and do not, guarantee the accuracy or correctness of any interpretation, and we shall not be liable or responsible for any loss, costs, damages or expenses incurred or sustained by Customer resulting from any interpretation made by any of our officers, agents or employees.

8. Customer shall be responsible for any loss or damage to our equipment, material, or supplies transported by Customer or by conveyance arranged for by Customer.

9. All of the preceding terms and conditions shall also apply in favor of any manufacturer or supplier of any equipment that we may use in the well.

10. A representative of the customer must be present to supervise depths, ascertain well conditions and be responsible for all operations of Midwest Surveys at the well site. The work performed and the results obtained at the well are always held in strict confidence.

11. The only warranty made by Midwest Surveys in connection with its interpretations, services or equipment, is freedom from defects of workmanship, but the liability of Midwest Surveys, for breach of this warranty, when such is shown, shall be limited to the replacement of the part or parts of the equipment or material shown to be defective. No other warranty of results or performance of any type is made by Midwest Surveys.

12. Any federal or state sales, use, occupation, consumer or other tax based on or measured by the charges made for services, or the receipts for the sale of products, shall be added to the quoted prices.

13. Terms for payment of charges are net cash on performance of services unless prior approval for credit has been granted. Any amount unpaid at the end of thirty (30) days, shall bear interest at the rate of one and one-half (1½) percent per month or at the legal maximum interest rate permitted by law. In the event an account is placed in the hands of a collection agency or an attorney for collection, all collection fees and costs will be added to the account.

14. Any equipment rented to Customer or placed on Customer's property or premises for whatever reason, may be reclaimed and/or repossessed by Midwest Surveys upon sixty (60) days notice.

FAILURE TO ENFORCE ANY OR ALL OF THE ABOVE TERMS AND CONDITIONS IN A PARTICULAR INSTANCE OR INSTANCES SHALL NOT CONSTITUTE A WAIVER OF OR PRECLUDE SUBSEQUENT ENFORCEMENT.

No employee, agent or representative of Midwest Surveys has authority to alter, extend or exceed these terms and conditions.