

4/18/08  
Form ACO-1  
September 1999  
Form Must Be Typed

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

**CONFIDENTIAL**

**WELL COMPLETION FORM**

**WELL HISTORY - DESCRIPTION OF WELL & LEASE**

Operator: License # 5316  
Name: FALCON EXPLORATION INC.  
Address: 125 N. MARKET, SUITE 1252  
City/State/Zip: WICHITA, KS 67202  
Purchaser: NCRA/PRG LC  
Operator Contact Person: RON SCHRAEDER  
Phone: (316) 262-1378  
Contractor: Name: VAL ENERGY INC  
License: 5822  
Wellsite Geologist: KEITH REAVIS

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**APR 18 2007**  
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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. \_\_\_\_\_

<u>2/1/07</u>	<u>2/12/07</u>	<u>3/30/07</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 025-21398-0000  
County: CLARK  
160'S NE NW NE Sec. 10 Twp. 31 S. R. 22  East  West  
490 feet from S / **(N)** (circle one) Line of Section  
1660 feet from **(E)** W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:  
(circle one) NE SE NW SW  
Lease Name: GILES RANCH Well #: 2-10  
Field Name: W/C

Producing Formation: MORROW SD  
Elevation: Ground: 2178 Kelly Bushing: 2188  
Total Depth: 5400 Plug Back Total Depth: 5364'  
Amount of Surface Pipe Set and Cemented at 666 Feet  
Multiple Stage Cementing Collar Used?  Yes  No  
If yes, show depth set \_\_\_\_\_ Feet  
If Alternate II completion, cement circulated from \_\_\_\_\_  
feet depth to \_\_\_\_\_ w/ \_\_\_\_\_ sx cmt.

**Drilling Fluid Management Plan** ATTN 6-2708  
(Data must be collected from the Reserve Pit)

Chloride content 9500 ppm Fluid volume \_\_\_\_\_ bbls  
Dewatering method used HAUL OFF FREE FLUIDS & EVAPORATION  
Location of fluid disposal if hauled offsite:  
Operator Name: KBW OIL  
Lease Name: HARMON SWD License No.: 5993  
Quarter \_\_\_\_\_ Sec. 11 Twp. 33S S. R. 20  East  West  
County: COMANCHE Docket No.: D-22,304

**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: Ronald Schraeder  
Title: ENGINEER Date: APRIL 18 2007  
Subscribed and sworn to before me this 18th day of April  
20 07  
Notary Public: Rosann M Schippers  
Date Commission Expires: 9/28/07

**KCC Office Use ONLY**  
4 Letter of Confidentiality Received  
If Denied, Yes  Date: \_\_\_\_\_  
 Wireline Log Received  
 Geologist Report Received  
 UIC Distribution  
**RECEIVED**  
**KANSAS CORPORATION COMMISSION**  
**APR 20 2007**

**ROSANN M. SCHIPPERS**  
**NOTARY PUBLIC**  
**STATE OF KANSAS**  
My Appt. Exp. 9/28/07

**CONSERVATION DIVISION**  
**WICHITA, KS**

Operator Name: FALCON EXPLORATION INC. Lease Name: GILES RANCH Well #: 2-10  
 Sec. 10 Twp. 31 S. R. 22  East  West County: CLARK

**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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Name	Top	Datum
Cores Taken	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	LANSING	4443	-2255
Electric Log Run <i>(Submit Copy)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	STARK SHALE	4788	-2600
List All E. Logs Run:		MARMATON	4900	-2712
<b>DIL;CDL/CNL;MEL;BHCS</b>		CHEROKEE SH	5032	-2844
		MORROW SH	5145	-2957
		MORROW SD	5162	-2974
		MISSISSIPPIAN	5215	-3027

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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	12-1/4	8-5/8"	23#	666'	LIGHT/CLASS A	325	2% GEL, 3% CC
PRODUCTION	7-7/8"	5-1/2"	15.5#	5379	AA2	150	10% SALT, .3% F/R
							FLA-322;CELLFLAKE;GILS.

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	5177-5182'		

TUBING RECORD	Size <u>2-7/8"</u>	Set At <u>5289</u>	Packer At <u>NONE</u>	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr. <u>4/9/07</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>177</u>	Gas Mcf <u>244.8</u>	Water Bbls. <u>0</u>	Gas-Oil Ratio <u>1383</u>

Disposition of Gas  Vented  Sold  Used on Lease *(If vented, Submit ACO-18.)*

METHOD OF COMPLETION  Open Hole  Perf.  Dually Comp.  Commingled  Other (Specify) \_\_\_\_\_

Production Interval \_\_\_\_\_

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**KANSAS CORPORATION COMMISSION**  
**APR 20 2007**  
**CONSERVATION DIVISION**  
**WICHITA, KS**

GILES RANCH #2-10  
CLARK COUNTY, KANSAS

DST #1, 5142-5184' (MORROW), 4"-75"-50"-95". STRONG BLOW OFF BOTTOM OF BUCKET IN 90 SECONDS ON 1<sup>ST</sup> OPEN. GAS TO SURFACE AND ON BOTTOM OF BUCKET IMMEDIATELY ON 2<sup>ND</sup> OPEN. HAD SLIGHT OIL CUT MUD TO SURFACE IN 32 MINUTES, BUT AT 40 MINUTES FLOW DIED OFF. RECOVERED 60' GASSY OIL CUT MUD (20% GAS, 5% OIL, 75% MUD), 180' GASSY OIL CUT MUD (20% GAS, 10% OIL, 70% MUD), 4208' MUDDY CUT OIL (5% MUD, 95% OIL, 699' OIL CUT MUD (30% OIL, 70% MUD). GAS GAUGES: 8.76 MCFD (5 MINUTES), 7.26 MCFD (10 MINUTES), 6.89 MCFD (20 MINUTES), FP'S 592-1567#, SIP'S 1642#-1643#. BHT 106°F.

DST #2 (MISRUN).

DST #3, 5247-5272' (MISS), 5"-90"-60"-120". STRONG BLOW OFF BOTTOM OF BUCKET IN 1 MINUTE ON 1<sup>ST</sup> OPEN. STRONG BLOW OFF BOTTOM OF BUCKET IN 1.5 MINUTE ON 2<sup>ND</sup> OPEN. RECOVERED 135' MUD WITH TRACE OF OIL AND GAS. FP'S 118-103#, SIP'S 115-122#. BHT 107°F.

DST #4, 5187-5242' (STRADDLE). MISRUN.

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KANSAS CORPORATION COMMISSION

APR 20 2007

CONSERVATION DIVISION  
WICHITA, KS

# ALLIED CEMENTING CO., INC.

24485

Federal Tax I.D.# XXXXXXXXXX

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

SERVICE POINT:

Medicine Lodge, KS

APR 18 2007

**CONFIDENTIAL**

DATE <u>01 Feb 07</u>	SEC. <u>10</u>	TWP. <u>31s</u>	RANGE <u>22w</u>	CALLED OUT <u>@ 30 PM</u>	ON LOCATION <u>9:00 PM</u>	JOB START <u>4:30 AM</u>	JOB FINISH <u>6:30 AM</u>
LEASE <u>Giles</u>	WELL # <u>2-10</u>	LOCATION <u>Sitka, Jct. 8 1/2 N, 2 3/4 W, 4 1/4</u>			COUNTY <u>Clark</u>	STATE <u>KS</u>	
OLD OR NEW (Circle one) <u>NEW</u>				N, W into			

CONTRACTOR Val #2

TYPE OF JOB Surface

HOLE SIZE 12 1/4 T.D. 672

CASING SIZE 8 5/8 DEPTH 656

TUBING SIZE DEPTH

DRILL PIPE DEPTH

TOOL DEPTH

PRES. MAX 600 MINIMUM —

MEAS. LINE SHOE JOINT 16.02

CEMENT LEFT IN CSG. 16'

PERFS.

DISPLACEMENT 41 Bbls Fresh H<sub>2</sub>O

OWNER Falcon Explor

CEMENT

AMOUNT ORDERED 300 5x65:35:6 + 3% occ + 1/4 # Flo seal & 100 5x "A" + 3% occ + 2% gel

{used 225 5x65:35:6}

COMMON	<u>100 A</u>	@	<u>10.65</u>	<u>1065.00</u>
POZMIX		@		
GEL	<u>2</u>	@	<u>16.65</u>	<u>33.30</u>
CHLORIDE	<u>11</u>	@	<u>46.60</u>	<u>512.60</u>
ASC		@		
	<u>ALW 225</u>	@	<u>9.95</u>	<u>2238.75</u>
	<u>Flo seal 56 #</u>	@	<u>2.00</u>	<u>112.00</u>
		@		
		@		
		@		
		@		
HANDLING	<u>432</u>	@	<u>1.90</u>	<u>820.80</u>
MILEAGE	<u>65 x 432 x .09</u>			<u>2527.2</u>
TOTAL				<u>7309.6</u>

EQUIPMENT

PUMP TRUCK CEMENTER D. FELIO

# 360 HELPER D. E. WEST

BULK TRUCK

# 356 DRIVER G. KESSLER

BULK TRUCK

# 364 DRIVER M. BECKER

REMARKS:

Pipe on Btm, Break Circ. Pump Preflush, Mix 150 5x lead Cement, 100 5x tail Cement, Stop Pump, Release Plug, Start Disp. Wash up on Plug, See steady increase in lift PSI, Slow Rate Pump Plug at 41 Bbls Fresh H<sub>2</sub>O total, Shut in, Release line PSI, Cement did not Circ. Top off with 75 5x 1/2 weight,

SERVICE

DEPTH OF JOB	<u>656</u>		
PUMP TRUCK CHARGE	<u>0-300'</u>		<u>815.0</u>
EXTRA FOOTAGE	<u>356'</u>	@	<u>.65</u> <u>231.40</u>
MILEAGE	<u>65</u>	@	<u>6.00</u> <u>390.00</u>
MANIFOLD Head Rental		@	<u>100.00</u> <u>100.00</u>
		@	
		@	
TOTAL <u>1536.40</u>			

CHARGE TO: Falcon Exploration

STREET \_\_\_\_\_

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

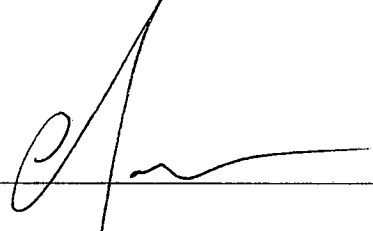
PLUG & FLOAT EQUIPMENT

1-TRP	@	<u>100.00</u>	<u>100.00</u>
2-Centralizers	@	<u>55.00</u>	<u>110.00</u>
2-Baskets	@	<u>180.00</u>	<u>360.00</u>
1-Baffle Plate	@	<u>45.00</u>	<u>45.00</u>
	@		

ANY APPLICABLE TAX WILL BE CHARGED UPON INVOICING

TOTAL 615.00

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.

SIGNATURE 

TAX \_\_\_\_\_

TOTAL CHARGE ~~7309.60~~

DISCOUNT ~~7309.60~~ IF PAID IN 30 DAYS

Chuck Toner  
PRINTED NAME



KCC  
APR 18 2007

**TREATMENT REPORT**

**CONFIDENTIAL**

Customer <i>Falcon Exploration</i>	Lease No.	Date <i>2-13-07</i>
Lease <i>Giles Ranch</i>	Well # <i>2-10</i>	
Field Order # <i>15488</i>	Station <i>Liberal</i>	County <i>Clark</i>
Type Job <i>5 1/2" Longstring</i>	Casing <i>5 1/2" (NW)</i>	Depth <i>5393</i>
	Formation	State <i>KS</i>
		Legal Description <i>10-315-22W</i>

PIPE DATA		PERFORATING DATA		FLUID USED		TREATMENT RESUME		
Casing Size	Tubing Size	Shots/Ft		Acid	RATE	PRESS	ISIP	
		From	To	<i>150 Sk AA-2 - 5%</i>	<i>10%</i>	<i>2 Salt</i>	<i>3%</i>	<i>CFR, 25% Deflower</i>
Depth	Depth	From	To	Pre Pad	Max			
				<i>1% Gas blk</i>	<i>5# Gilsomite</i>	<i>1/4# Cellulose</i>		
Volume	Volume	From	To	Pad	Min			
				<i>15 PPG - 1.44</i>	<i>6.24 Gal</i>			
Max Press	Max Press	From	To	Frac	Avg			
				<i>25 Sk 60/40 Pp</i>	<i>(For Ret + Mouse)</i>			
Well Connection	Annulus Vol.	From	To		HHP Used			Annulus Pressure
Plug Depth	Packer Depth	From	To	Flush	Gas Volume			Total Load
				<i>Water</i>				

Customer Representative *Leon Rubin* Station Manager *Jerry Bennett* Treater *Kirby Harper*

Service Units	<i>126</i>	<i>227</i>	<i>344</i>	<i>502</i>					
Driver Names	<i>K. Harper</i>	<i>A. Olexa</i>	<i>T. Macciotti</i>						

Time	Casing Pressure	Tubing Pressure	Bbls. Pumped	Rate	Service Log
<i>1330</i>					<i>On location - Spot &amp; Rig up</i>
<i>1900</i>					<i>Casing on bottom - Break Circulation</i>
<i>2019</i>	<i>300</i>		<i>5</i>	<i>4.5</i>	<i>Pump 5 bbl water</i>
<i>2021</i>	<i>300</i>		<i>24</i>	<i>4.5</i>	<i>Pump 1000 Gal of Superflush</i>
<i>2027</i>	<i>300</i>		<i>5</i>	<i>4.5</i>	<i>Pump 5 bbl water</i>
<i>2029</i>	<i>300</i>		<i>38</i>	<i>4.5</i>	<i>Mix 150 Sk AA-2 @ 15 PPG</i>
<i>2043</i>					<i>Shut down - drop plug - clean lines</i>
<i>2050</i>	<i>200</i>		<i>0</i>	<i>5</i>	<i>Displace with 128 bbl of water</i>
<i>2110</i>	<i>400</i>		<i>105</i>	<i>4.5</i>	<i>Displacement Reaches Cement</i>
<i>2118</i>	<i>550</i>		<i>118</i>	<i>2</i>	<i>Slow Rate</i>
<i>2123</i>	<i>600-1200</i>		<i>128</i>		<i>Bump Plug</i>
<i>2135</i>	<i>1200-0</i>				<i>Release Pressure - Flats held</i>
<i>2000</i>					<i>Plug Ret + mouse holes</i>
					<i>Job Complete</i>

RECEIVED  
KANSAS CORPORATION COMMISSION

APR 20 2007

CONSERVATION DIVISION  
WICHITA, KS

**FALCON EXPLORATION, INC.**  
**OIL & GAS EXPLORATION**

4/18/08

125 N. MARKET, SUITE 1252  
WICHITA, KANSAS 67202

TELEPHONE: (316)262-1378  
FAX: (316)265-3354

April 18, 2007

Kansas Corporation Commission  
130 S. Market, Room 2078  
Wichita, Kansas 67202-3802

**KCC**  
**APR 18 2007**  
**CONFIDENTIAL**

Re: Giles Ranch #2-10  
NE NW NE Section 10-31S-22W  
Clark County, Kansas

Gentlemen:

Enclosed you will find the ACO-1, in triplicate, a copy of the DIL, MEL, BHCS, CNL/CDL, and geologist's report covering the above captioned well. Also enclosed is a copy of the Allied Cementing ticket #24485 to cement surface casing and Jetstar Energy ticket to cement production casing.

Pursuant to the rules and regulations please hold this information "confidential" for the initial one year period.

Sincerely,

FALCON EXPLORATION, INC.

  
Cynde Wolf

/clw  
Encl.

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KANSAS CORPORATION COMMISSION  
APR 20 2007  
CONSERVATION DIVISION  
WICHITA, KS



**CORPORATION COMMISSION**

Kathleen Sebelius, Governor Thomas E. Wright, Chairman Michael C. Moffet, Commissioner Joseph F. Harkins, Commissioner

June 20, 2008

FALCON EXPLORATION, INC.  
125 N MARKET STE 1252  
WICHITA, KS 67202-1719

RE: API Well No. 15-025-21398-00-00  
GILES RANCH 2-10  
NENWNE, 10-31S-22W  
CLARK County, Kansas

Dear Operator:

An affidavit of completion form (ACO-1) on the above referenced well was received on April 20, 2007. Technical review finds that the ACO-1 is incomplete. The information requested below, or an amended/corrected ACO-1, must be submitted by July 11, 2008. Only the current ACO-1 form will be accepted (Form ACO-1, Rev. 9-99), and only the lines marked below apply.

- |   |   |
|---|---|
| <input type="checkbox"/> All drilling and completion information. No ACO-1 has been received as of this date. | <input type="checkbox"/> TD and Completion date. (Month, Day, Year)   |
| <input type="checkbox"/> Must be notarized and signed.  | <input type="checkbox"/> Must have Footages from nearest outside corner of section.   |
| <input type="checkbox"/> Must have the ORIGINAL HARD COPY of ACO-1. We do not accept fax copies.              | <input type="checkbox"/> Side two on back of ACO-1 must be completed.   |
| <input type="checkbox"/> Must be put on new form and typed.   | <input checked="" type="checkbox"/> Must have final copies of DST's/Charts.   |
| <input type="checkbox"/> API # or date when original well was first drilled.                                  | <input type="checkbox"/> All original complete open and cased hole wireline logs run.   |
| <input type="checkbox"/> Contractor License #.  | <input type="checkbox"/> A copy of geological reports compiled by wellsite geologist.   |
| <input type="checkbox"/> Designate type of Well Completion.   | <input type="checkbox"/> A copy of all cement job logs showing type, amounts and additives used to cement casing strings, squeeze and/or to plug and abandon. (Note: Cement tickets must be from company providing the cement, not necessarily the contractor.) |
| <input type="checkbox"/> If Workover/Re-entry, need old well information, including original completion date. | <input type="checkbox"/> Any commingling information; File on the ACO-4 form.   |
| <input type="checkbox"/> Spud date. (Month, Day, Year)  | <input type="checkbox"/> Anything HIGHLIGHTED on ACO-1.   |
| <input type="checkbox"/> Other:   |   |

K.C.C. regulation 82-3-107 provides confidentiality, upon written request, for a period of one year from the date of such letter request. Confidentiality rights are waived if the ACO-1 remains incomplete, or is not timely filed (within 120 days from the well's spud date) including: electric logs, geologist's wellsite reports, driller's logs, and Kansas Geological Survey requested samples.

Do not hesitate to call the Kansas Corporation Commission, Conservation Division, at (316) 337-6200 if there are any questions. PLEASE RETURN THIS FORM AND ANY ENCLOSURES WITH YOUR REPLY. Note: If the intent is incorrect, you need to file a corrected intent.

Sincerely,

Naomi Hollon  
Production Department