

ORIGINAL

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

see memo 5/29/08

Operator: License # 33677
 Name: Canary Operating Corporation
 Address: 7230 W. 162nd Street, Suite A
 City/State/Zip: Stilwell, KS 66085
 Purchaser: Canary Pipeline, Inc.
 Operator Contact Person: Steve Allee
 Phone: (913) 239-8960
 Contractor: Name: Canary Drilling, Inc.
 License: 33799
 Wellsite Geologist: Rex R. Ashlock
 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>3/11/08</u>	<u>5/19/08</u>	<u>5/19/08</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 121-28521 - 0000
 County: Miami
 NE NW SE Sec. 13 Twp. 16 S. R. 24 East West
2310 feet from S (circle one) Line of Section
1650 feet from E (circle one) Line of Section
 Footages Calculated from Nearest Outside Section Corner:
 (circle one) NE SE NW SW
 Lease Name: Ray Well #: 35-13-16-24
 Field Name: Forrest City Coal Gas Area (KCC)
 Producing Formation: Lexington, Summit, Mulky, & Tebo
 Elevation: Ground: 1010 Kelly Bushing: _____
 Total Depth: 739' Plug Back Total Depth: _____
 Amount of Surface Pipe Set and Cemented at 20 Feet
 Multiple Stage Cementing Collar Used? Yes No
 If yes, show depth set 481.75 Feet
 If Alternate II completion, cement circulated from 462
 feet depth to surface w/ 100 sx cmt.
AKZ-DG - 7/14/08
 Drilling Fluid Management Plan
 (Data must be collected from the Reserve Pit)
 Chloride content NA ppm Fluid volume 75+/- 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: BY: [Signature]
 Title: VP/Finance Date: 5/22/08
 Subscribed and sworn to before me this 22nd day of May
20 08
 Notary Public: [Signature]
 Date Commission Expires: 1/10/2009

KCC Office Use ONLY

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

REX R. ASHLOCK
 Notary Public - State of Kansas
 My Appt. Exp. 1/10/09

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 MAY 27 2008
 KCC WICHITA

Operator Name: **Canary Operating Corporation** Lease Name: **Ray** Well #: **35-13-16-24**
 Sec. **13** Twp. **16** S. R. **24** East West County: **Miami**

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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Log Formation (Top), Depth and Datum	<input type="checkbox"/> Sample
Samples Sent to Geological Survey	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Name	Top Datum
Cores Taken	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Electric Log Run <i>(Submit Copy)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
List All E. Logs Run:			

Driller's Log to be sent at a later date

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	13 1/2"	10 3/4"	NA	20'	Reg.	10	None
Production	9 1/2"	7"	17.0	481.75'	100	100	2% CaCl ₂ 2% Gel

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
None	Open holed from 481.75' to 739'	None	
		271.05' of 4 1/2" perf'd liner, not cmt'd	

TUBING RECORD		Size	Set At	Packer At	Liner Run
		1"	to be set at 650' +/-	None	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr.		Producing Method			
W.O. gas, electric, & wtr lines		<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 Mcl	Water Bbls.	Gas-Oil Ratio	Gravity
	None	NA	NA	None	

Disposition of Gas **METHOD OF COMPLETION** Production Interval

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

x To be sold

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DRILLER'S LOG~~(RAY #35-13-16-24)~~

SECT. 13-T16S-R24E

MIAMI CO., KS

~~(API #15-121-28521)~~

CANARY OPERATING CORP.

CONTR: CANARY DRILLING

SPUD: 3/11/08

SURF CSG: 10 3/4" @ 20', 10 SX

PROD CSG: 7" @ 480.22' (3/20/08)

TD: 739' (5/19/08)

SOIL & BKN LS	3	SLTY SH & BKN LS	510
LS	20	LS W/ SH BRKS	518
SH	65	SH	525
LS	88	BLK SH	528
SH & SNDY SH	104	SH	532
LS	108	LS W/ SH STKS	546
BLK SH	110	BLK SH & COAL	553
SH & LS STKS	145	SLTY & SNDY SH	618
LS	160	BLK SH & COAL	620
SH	174	SH	625
LS	204	LS	628
BLK SH	208	BLK SH	631
LS	234	SH W/ SOME COAL	644
BLK SH	238	RED BED	658
LS	250 (B. KC)	SH W/ SOME COAL	666
SH	275	SLTY-SNDY SH	676
SILTY SH	295	BLK SH & COAL	682
SH	315	SH	702
SNDY SH	340	BLK SH & COAL	710
SH	360	DK SH	739
V SNDY SH	370	TOTAL DEPTH	739
SH	402		
BLK SH	404		
SNDY SH	438		
LS	442		
BLK SH	446		
LS	448		
BLK SH	450		
SH	455		
LS	465		
SNDY SH	470		
DK SH	482		
LS (DK BRN & HARD)	486		
BLK SH & COAL	488		

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KANSAS CORPORATION COMMISSION

JUN 09 2008

CONSERVATION DIVISION
WICHITA, KS

CONSOLIDATED OIL WELL SERVICES, INC.

P.O. BOX 884, CHANUTE, KS 66720

620-431-9210 OR 800-467-8676

TICKET NUMBER 15885

LOCATION Ottawa KS

FOREMAN Fred Mader

TREATMENT REPORT & FIELD TICKET
CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
3/21/08	2642	Ray # 35	13	16	24	M1
CUSTOMER Canary Operating Corp						
MAILING ADDRESS 7230 W 162nd						
CITY Stilwell	STATE KS	ZIP CODE 66085				
		TRUCK #	DRIVER	TRUCK #	DRIVER	
		506	Fred			
		368	Bill			
		369	Gary			
		503	Brian			

JOB TYPE Workstring HOLE SIZE 9 1/2 HOLE DEPTH 482' CASING SIZE & WEIGHT 7"
 CASING DEPTH 481' DRILL PIPE _____ TUBING _____ OTHER _____
 SLURRY WEIGHT _____ SLURRY VOL _____ WATER gal/sk _____ CEMENT LEFT in CASING 10' +
 DISPLACEMENT 19.5 BBL DISPLACEMENT PSI _____ MIX PSI _____ RATE 4 B P M

REMARKS: Establish Circulation. Mix Pump 200# Premium Gel Flush
Mix + Pump 13 BBL Tell tale dye. Mix Pump 104 sks
Class A Portland Cement w/ 2% gel 2% Calcium Chloride.
Displace 7" casing clean w/ 19 BBL Fresh Water.
Shut in casing. Circulated 3 BBL Slurry to Pit.

Fred Mader

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
5401	1 of 2	PUMP CHARGE Cement Pump	368	875.00
5406	1/2 of 40 mi	MILEAGE Pump Truck	368	69.00
5407A	4.888 Ton	Ton Mileage	503	2222.87
5502C	2 1/2 hrs	80 BBL Vac Truck	369	235.00
1104S	100 sks	Class A Portland Cement		1290.00
1118B	396#	Premium Gel		633.60
1102	196#	Calcium Chloride		137.20
Sub Total				2,992.47
Tax @ 6.55%				97.64
RECEIVED				
MAY 27 2008				
KCC WICHITA				
				SALES TAX ESTIMATE TOTAL \$ 2990.00

AUTHORIZATION *[Signature]*

TITLE 220.886

DATE 3/21/08