

**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 # 7076
 Name: Black Diamond Oil, Inc.
 Address: P.O. Box 641
 City/State/Zip: Hays, KS 67601
 Purchaser: None
 Operator Contact Person: Kenneth Vehige
 Phone: (785) 625-5891
 Contractor: Name: Discovery Drilling Co., Inc.
 License: 31548
 Wellsite Geologist: Tony Richardson
 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>4/4/2007</u>	<u>4/08/2007</u>	<u>4/08/2007</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 065-23,295-00-00
 County: Graham
W/2 W/2 NW Sec. 16 Twp. 10 S. R. 21W East West
1220 feet from S / (N) (circle one) Line of Section
330 feet from E / (W) (circle one) Line of Section
 Footages Calculated from Nearest Outside Section Corner:
 (circle one) NE SE (NW) SW
 Lease Name: Grecian Well #: 1
 Field Name: Wheeler
 Producing Formation: None
 Elevation: Ground: 2229 Kelly Bushing: 2237
 Total Depth: 3830 Plug Back Total Depth: _____
 Amount of Surface Pipe Set and Cemented at 222.08 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.
 (15sks In Rat Hole)(10sks In Mouse Hole)
Drilling Fluid Management Plan PA NH 7-11-08
 (Data must be collected from the Reserve Pit)
 Chloride content 11,000 ppm Fluid volume 300 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: president Date: 6-7-07
 Subscribed and sworn to before me this 7th day of June
20 07
 Notary Public: [Signature]

KCC Office Use ONLY

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

RECEIVED
 KANSAS CORPORATION COMMISSION
JUN 11 2007

NOTARY PUBLIC
 MELISSA L. WINGHOFF
 STATE OF KANSAS
 My Appt. Exp. 9/21/2011

CONSERVATION DIVISION
 WICHITA, KS

Operator Name: Black Diamond Oil, Inc. Lease Name: Grecian Well #: 1
 Sec. 16 Twp. 10 S. R. 21W East West County: Graham

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 checked="" type="checkbox"/> Yes <input 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 Induction, Compensated Density and Sonic	<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>Anhydrite</td> <td>1730</td> <td>+507</td> </tr> <tr> <td>Topeka</td> <td>3250</td> <td>-1013</td> </tr> <tr> <td>Heebner</td> <td>3459</td> <td>-1022</td> </tr> <tr> <td>Lansing/KC</td> <td>3500</td> <td>-1263</td> </tr> <tr> <td>TD</td> <td>3830</td> <td>-1593</td> </tr> </table>	<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample	Name	Top	Datum	Anhydrite	1730	+507	Topeka	3250	-1013	Heebner	3459	-1022	Lansing/KC	3500	-1263	TD	3830	-1593
<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample																				
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TD	3830	-1593																				

CASING RECORD <input 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 Pipe	12 1/4	8 5/8	20	222.08	Common	150	2%Gel & 3%CC

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		Acid, Fracture, Shot, Cement Squeeze Record	
	Specify Footage of Each Interval Perforated		(Amount and Kind of Material Used)	
				Depth

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.			Producing Method <input type="checkbox"/> Flowing <input 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
<input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	<input type="checkbox"/> Open Hole <input type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____	

RECEIVED
KANSAS CORPORATION COMMISSION

JUN 11 2007

CONSERVATION DIVISION

ALLIED CEMENTING CO., INC.

32908

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

COPY

SERVICE POINT: Russell

DATE <u>4-4-07</u>	SEC. <u>16</u>	TWP. <u>10</u>	RANGE <u>21</u>	CALLED OUT	ON LOCATION <u>7:00 PM</u>	JOB START	JOB FINISH <u>8:45 PM</u>
LEASE <u>Grecian</u>	WELL # <u>1</u>	LOCATION <u>Riga PI-70 N to</u>			COUNTY <u>Graham</u>	STATE <u>Ks</u>	
OLD OR (NEW) (Circle one)		County line @ 3w to Regue Rd 3N E. 1/4					

CONTRACTOR Discovery #1

TYPE OF JOB Surface Job

HOLE SIZE 12 1/4 T.D. 222

CASING SIZE 8 5/8 DEPTH 222

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. 15'

PERFS. _____

DISPLACEMENT 13 661

EQUIPMENT _____

PUMP TRUCK CEMENTER Share

409 HELPER Adria

BULK TRUCK _____

362 DRIVER Doug

BULK TRUCK _____

_____ DRIVER _____

OWNER _____

CEMENT AMOUNT ORDERED 150 Con 3+2

COMMON	<u>150</u>	@	<u>11.10</u>	<u>1665.00</u>
POZMIX		@		
GEL	<u>3</u>	@	<u>16.65</u>	<u>49.95</u>
CHLORIDE	<u>5</u>	@	<u>46.60</u>	<u>233.00</u>
		@		
		@		
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>158</u>	@	<u>1.90</u>	<u>300.20</u>
MILEAGE	<u>99/5K/MILE</u>			<u>952.70</u>
TOTAL				<u>3200.85</u>

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KANSAS CORPORATION COMMISSION
JUN 11 2007
CONSERVATION DIVISION
WICHITA, KS

REMARKS:

Cement Circ 1

CHARGE TO: Black Diamond

STREET _____

CITY _____ STATE _____ ZIP _____

SERVICE

DEPTH OF JOB _____

PUMP TRUCK CHARGE _____ 815.00

EXTRA FOOTAGE _____ @ _____

MILEAGE 67 @ 6.00 402.00

MANIFOLD _____ @ _____

TOTAL 1217.00

PLUG & FLOAT EQUIPMENT

_____ @ _____

_____ @ _____

8 7/8 Wood Plug @ 60.00

_____ @ _____

TOTAL 60.00

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.

Thanks!

SIGNATURE [Signature]

TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

PRINTED NAME _____

ALLIED CEMENTING CO., INC. 21129

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

SERVICE POINT:
Russell

DATE <u>4-9-07</u>	SEC. <u>16</u>	TWP. <u>10S</u>	RANGE <u>21W</u>	CALLED OUT	ON LOCATION	JOB START <u>9:00am</u>	JOB FINISH <u>11:00am</u>
LEASE <u>GRECIAN</u> WELL # <u>1</u>			LOCATION <u>Bogue + Rolline Jct. 35 E.S. into</u>		COUNTY <u>GRANHAM</u>	STATE <u>KS</u>	
<input checked="" type="radio"/> OLD OR NEW (Circle one)							

CONTRACTOR A. Seaman #1

TYPE OF JOB Rotary Plug

HOLE SIZE _____ T.D. 3819

CASING SIZE _____ DEPTH _____

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT _____

OWNER _____

CEMENT AMOUNT ORDERED 200 60/40 60/60 44*F10

RECEIVED
KANSAS CORPORATION COMMISSION
JUN 11 2007
CONSERVATION DIVISION
WICHITA, KS

COMMON MIX _____ @ _____

GEL _____ @ _____

CHLORIDE _____ @ _____

ASC _____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

HANDLING _____ @ _____

MILEAGE _____ @ _____

EQUIPMENT

PUMP TRUCK # 409 CEMENTER Craig
HELPER Adrian

BULK TRUCK # 410 DRIVER Noug

BULK TRUCK # _____ DRIVER _____

REMARKS:

<u>1st</u>	<u>1725</u>	<u>255x</u>
<u>2nd</u>	<u>975</u>	<u>100x</u>
<u>3rd</u>	<u>275</u>	<u>40x</u>
<u>4th</u>	<u>40</u>	<u>10x</u>
<u>Rathole</u>	<u>15x</u>	
<u>man-hole</u>	<u>10x</u>	

Thanks!

CHARGE TO: Black Diamond

STREET _____

CITY _____ STATE _____ ZIP _____

TOTAL _____

SERVICE

DEPTH OF JOB _____

PUMP TRUCK CHARGE _____

EXTRA FOOTAGE _____ @ _____

MILEAGE _____ @ _____

MANIFOLD _____ @ _____

_____ @ _____

_____ @ _____

TOTAL _____

PLUG & FLOAT EQUIPMENT

1 8 1/2 Dia 410 Plug

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

TOTAL _____

TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

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 [Signature]

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.