

**CONFIDENTIAL**

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

**ORIGINAL**

1/18/09  
Form ACO-1  
September 1999  
Form Must Be Typed

Operator: License # 5822  
Name: VAL Energy Inc.  
Address: 200 West Douglas #520  
City/State/Zip: Wichita, Kansas 67202  
Purchaser: None  
Operator Contact Person: K. Todd Allam  
Phone: ( 316 ) 263-6688  
Contractor: Name: VAL Energy Inc.  
License: 5822  
Wellsite Geologist: Wes Hansen

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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. \_\_\_\_\_

10-22-2007	10-30-2007	11-15-2007
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 007-23213-00-00

County: Barber

135-S 270-W C NE Sec. 13 Twp. 34 S. R. 11  East  West

1455 feet from S N (circle one) Line of Section

1590 feet from E W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:

(circle one) NE SE NW SW

Lease Name: David Unit Well #: 1-13

Field Name: \_\_\_\_\_

Producing Formation: Mississippian

Elevation: Ground: 1364 Kelly Bushing: 1374

Total Depth: 4800 Plug Back Total Depth: 4756

Amount of Surface Pipe Set and Cemented at 264 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** ACT UNIT 9-8-08  
(Data must be collected from the Reserve Pit)

Chloride content 9000 ppm Fluid volume 180 bbls

Dewatering method used hauled

Location of fluid disposal if hauled offsite:

Operator Name: VAL Energy Inc.

Lease Name: Meyer SWD License No.: 5822

Quarter SE Sec. 13 Twp. 34S S. R. 11  East  West

County: Barber Docket No.: D28864

**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: K Todd Allam

Title: President Date: 1-14-08

Subscribed and sworn to before me this 14 day of January

20 08.

Notary Public: Brandi Wyer

Date Commission Expires: 2/24/2010

NOTARY PUBLIC - State of Kansas  
**BRANDI WYER**  
My Appt. Expires 2/24/2010

**KCC Office Use ONLY**

Letter of Confidentiality Received  
 If Denied, Yes  Date: \_\_\_\_\_ **RECEIVED**  
 Wireline Log Received **KANSAS CORPORATION COMMISSION**  
 Geologist Report Received  
 UIC Distribution

**JAN 18 2008**

**CONSERVATION DIVISION**  
WICHITA, KS

Operator Name: VAL Energy Inc. Lease Name: David Unit Well #: 1-13  
 Sec. 13 Twp. 34 S. R. 11  East  West County: Barber

**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 checked="" type="checkbox"/> Yes <input 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 Dual Compensated Porosity Microresistivity	<input type="checkbox"/> Log Formation (Top), Depth and Datum <input checked="" type="checkbox"/> Sample <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">Name</td> <td style="width:20%;">Top</td> <td style="width:20%;">Datum</td> </tr> <tr> <td>Heebner</td> <td>3638</td> <td>-2264</td> </tr> <tr> <td>KC</td> <td>4177</td> <td>-2803</td> </tr> <tr> <td>Pawnee</td> <td>4494</td> <td>-3118</td> </tr> <tr> <td>Miss.</td> <td>4628</td> <td>-3254</td> </tr> </table>	Name	Top	Datum	Heebner	3638	-2264	KC	4177	-2803	Pawnee	4494	-3118	Miss.	4628	-3254
Name	Top	Datum														
Heebner	3638	-2264														
KC	4177	-2803														
Pawnee	4494	-3118														
Miss.	4628	-3254														

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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#	264	Class A	180	2%&3%
Production	7 7/8	5 1/2	14#	4785	AA-2	150	

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
2 spft.	4624-32, 4642-48	1000 gal. 15% MA, Frac w/50,100# sand/1822 bbl Foam Frac	4624-48

TUBING RECORD	Size <b>2 7/8</b>	Set At <b>4700</b>	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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Date of First, Resumerd Production, SWD or Enhr.	Producing Method <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)
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Estimated Production Per 24 Hours	Oil Bbls. <b>60</b>	Gas Mcf <b>150</b>	Water Bbls. <b>250</b>	Gas-Oil Ratio	Gravity
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Disposition of Gas <input type="checkbox"/> Vented <input checked="" type="checkbox"/> Sold <input checked="" type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	METHOD OF COMPLETION <input type="checkbox"/> Open Hole <input checked="" type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____	Production Interval	<b>RECEIVED</b> KANSAS CORPORATION COMMISS <b>JAN 18 2008</b> CONSERVATION DIVISION WICHITA, KS
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**VAL ENERGY, INC.**

200 W. Douglas, Suite 520

Wichita, Kansas 67202

Office: (316) 263-6688 Fax: (316) 262-2512

December 28, 2007

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

To Whom It May Concern:

Please keep all information confidential pertaining to the David Unit 1-13 located in the approx. C NE/4 Sec. 13-34S-11W, Barber County, Kansas.

Sincerely

Todd Allam

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WICHITA, KS

Customer	Val Energy, Incorporated		Lease No.			Date	10-31-07	
Lease	David Unit		Well #	1-13				
Field Order #	Station	Casing	Depth	County	State			
6752	Pratt	5 1/2	14 1/2 Bbl. 785 Ft.	Barber	KS			
Type Job	C.N.W. - Long String			Formation	Legal Description			
					13-345-11W			

PIPE DATA		PERFORATING DATA		FLUID USED		TREATMENT RESUME				
Casing Size	14 Lb.	Tubing Size		Shots/Ft	150	sacks	AA-2 with .3%	Friction Reducer	.25%	Defoam
Depth	785 Ft.	Depth		From	.88	To	FLA-322	10%	Gas Blok	5/16
Volume	116.7 Bbl.	Volume		From		To	15.316	Gal.	5.79	Gal./sk.
Max Press	1,500 P.S.I.	Max Press		From		To	25	sacks	60/40	Poz
Well Connection	Plug Container	Annulus Vol		From		To	6.5			
Plug Depth	477.5 Ft.	Packer Depth		From		To		Flush	11	Bbl. Fresh Water

Customer Representative	Russell Myers	Station Manager	David Scott	Treater	Clarence R. Messick
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Service Units	19,877	19,903	19,905	19,831	19,862				
Driver Names	Messick	Mattal	Shields						

Time	Casing Pressure	Tubing Pressure	Bbls. Pumped	Rate	Service Log
4:00					Trucks on location and hold safety meeting.
5:30					Val Drilling start to run Regular Guide Shoe, Shoe joint with Auto-Fill Baffle screwed into collar and a total of 124 Joints new 14 Lb./Ft. 5 1/2" casing. Ran Turbolizers on collars #1,3,6,8,10,12
8:10					Casing in well. Circulate for 45 minutes
8:45	500			6	Start Fresh water pre-flush.
	500		20	6	Start Super Flush II.
	500		44	6	Start Fresh water spacer.
	400		47	5	Start mixing 150 sacks AA-2 cement.
	-0-		84		Stop pumping. Shut in well. Wash pump and lines. Release plug. Open Well.
9:05	100			6.5	Start Fresh Water Displacement.
			100	5	Start to lift cement.
9:30	700		11	6.5	Plug down.
	1,500				Pressure up.
					Release pressure. Insert held
	-0-		4-3	3	Plug Rat and Mouse holes.
					Washup pump truck.
10:30					Job Complete
					Thanks,
					Clarence, Mike, Billy

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WICHITA, KS

Subject to Correction

Date	10-31-07	Customer ID		Lease	David Unit	Well #	-13	Legal	13-345-11W
				County	Barber	State	KS	Station	Pratt
C H A R G E	Val Energy, Incorporated			Depth		Formation		Shoe Joint	12 Feet
				Casing	5 1/2" 14 Lb.	Casing Depth	4,785 FT.	Job Type	C.N.W.-Long Stri
				Customer Representative	Russell Myers	Treater	Clarence R. Messick		
AFE Number		PO Number		Materials Received by		X <i>K M</i>		DLS	

Station Code	Product Code	QUANTITY	MATERIALS, EQUIPMENT, and SERVICES USED	UNIT PRICE	AMOUNT
P	D205	150sk	AA-2		\$2,479.50
P	D203	25sk	60/40 Poz		\$ 267.75
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P	C195	113Lb	FLA-322		\$ 932.25
P	C221	724Lb	Salt (Fine)		\$ 181.00
P	C243	36Lb	Defoamer		\$ 124.20
P	C244	43Lb	Cement Friction Reducer		\$ 258.00
P	C312	141Lb	Gas Blok		\$ 726.15
P	C321	750Lb	Gilsonite		\$ 502.50
P	C304	1,000Gal.	Super Flush II		\$1,530.00
P	F101	6ea	Turbolizer, 5 1/2"		\$ 445.20
P	F121				
P	F143	1ea	Top Rubber Cement Plug, 5 1/2"		\$ 75.00
P	F191	1ea	Regular Guide Shoe, 5 1/2"		\$ 186.65
P	F231	1ea	Insert Float Valve 5 1/2"		\$ 175.00
P	E100	90mi	Heavy Vehicle Miles, 1-Way		\$ 450.00
P	E101	45mi	Pickup Mileage, 1-Way		\$ 135.00
P	E104	367tm	Bulk Delivery		\$ 586.80
P	E107	175sk	Cement Service Charge		\$ 262.50
P	E891	1ea	Service Supervisor		\$ 150.00
P	R210	1ea	Cement Pumper: 4,501 Ft. To 5,000 Ft.		\$ 1,827.00
P	R701	1ea	Cement Head Rental		\$ 250.00

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Discounted Price = \$9,697.39  
Plus taxes





# ALLIED

CEMENTING CO., LLC  
Cementing & Acidizing Services

24 S. Lincoln Street  
P.O. Box 31  
Russell, KS 67665-2906

Voice: (785) 483-3887  
Fax: (785) 483-5566

# INVOICE

Invoice Number: 110842

Invoice Date: Oct 25, 2007

Page: 1

9208

**Bill To:**

Val Energy, Inc.  
200 W. Douglas  
STE #520  
Wichita, KS 67202

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OCT 29 2007

*Cement Surface Casing*

<b>Customer ID</b>	<b>Well Name# or Customer P.O.</b>	<b>Payment Terms</b>	
Val	David Unit #1-13	Net 30 Days	
<b>Sales Rep ID</b>	<b>Camp Location</b>	<b>Service Date</b>	<b>Due Date</b>
	Medicine Lodge	Oct 25, 2007	11/24/07

Quantity	Item	Description	Unit Price	Amount
108.00	MAT	Common Class A	11.10	1,198.80
72.00	MAT	Pozmix	6.20	446.40
3.00	MAT	Gel	16.65	49.95
6.00	MAT	Chloride	46.60	279.60
189.00	SER	Handling	1.90	359.10
20.00	SER	Mileage 189 sx @ .09 per sk per mi	17.01	340.20
1.00	SER	Surface	815.00	815.00
20.00	SER	Mileage Pump Truck	6.00	120.00
1.00	SER	Head Rental	100.00	100.00
1.00	EQP	Wooden Plug	60.00	60.00

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WICHITA, KS

ALL PRICES ARE NET, PAYABLE  
30 DAYS FOLLOWING DATE OF  
INVOICE. 1 1/2% CHARGED  
THEREAFTER. IF ACCOUNT IS  
CURRENT, TAKE DISCOUNT OF

\$

ONLY IF PAID ON OR BEFORE

Subtotal	3,769.05
Sales Tax	128.19
Total Invoice Amount	3,897.24
Payment/Credit Applied	
<b>TOTAL</b>	<b>3,897.24</b>

# ALLIED CEMENTING CO., INC.

31232

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

SERVICE POINT:  
Medicine Lodge, KS.

DATE <u>10-23-07</u>	SEC. <u>13</u>	TWP. <u>34S</u>	RANGE <u>11W</u>	CALLED OUT <u>12:00 AM</u>	ON LOCATION <u>1:30 AM</u>	JOB START <u>4:00 AM</u>	JOB FINISH <u>4:30 AM</u>
LEASE <u>DAVID UNIT</u>	WELL # <u>1-13</u>	LOCATION <u>281+Gerlain Blacktop, 9/4E</u>	COUNTY <u>Barber</u>	STATE <u>KS</u>			
OLD OR <u>NEW</u> (Circle one)		<u>To Lone Tree Rd., 3S, 1.3 W, 1/2 N #10</u>					

CONTRACTOR VAI R<sub>2</sub> #3

TYPE OF JOB SURFACE

HOLE SIZE 12 1/4" T.D. 270'

CASING SIZE 8 5/8" 24" DEPTH 264'

TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_

DRILL PIPE \_\_\_\_\_ DEPTH \_\_\_\_\_

TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_

PRES. MAX \_\_\_\_\_ MINIMUM 100

MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_

CEMENT LEFT IN CSG. 15' By Request

PERFS. \_\_\_\_\_

DISPLACEMENT 15 1/2 Bbl Fresh water

OWNER VAI Energy

CEMENT

AMOUNT ORDERED 180 SX 60' 40:2 + 3% CC

COMMON	<u>108 A</u>	@	<u>11.10</u>	<u>1198.80</u>		
POZMIX	<u>72</u>	@	<u>6.20</u>	<u>446.40</u>		
GEL	<u>3</u>	@	<u>16.65</u>	<u>49.95</u>		
CHLORIDE	<u>6</u>	@	<u>46.60</u>	<u>279.60</u>		
ASC		@				
		@				
		@				
		@				
		@				
		@				
		@				
HANDLING	<u>189</u>	@	<u>1.90</u>	<u>359.10</u>		
MILEAGE	<u>20</u>	x	<u>189</u>	x	<u>.09</u>	<u>340.20</u>
				TOTAL <u>2674.05</u>		

EQUIPMENT

PUMP TRUCK # 343 CEMENTER Thomas Demorrow  
HELPER Steve K.

BULK TRUCK # 389 DRIVER Randy F.

BULK TRUCK # \_\_\_\_\_ DRIVER \_\_\_\_\_

REMARKS:

Pipe on bottom, break circulation, pumps  
Bbl Fresh Ahead, Pump 180 SX 60' 40:2 + 3% CC,  
Stop pumps, Release Plug, Start Displacement  
See Li.Ft, slow rate, Stop pumps + shut  
IN, Displace w/ 15 1/2 Bbl Fresh water,  
Cement circulated to SURFACE

THANK YOU

CHARGE TO: VAI Energy

STREET \_\_\_\_\_

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

SERVICE

DEPTH OF JOB 270'

PUMP TRUCK CHARGE 815.00

EXTRA FOOTAGE @ \_\_\_\_\_

MILEAGE 20 @ 6.00 120.00

MANIFOLD @ \_\_\_\_\_

HEAD RENTAL 1 @ 100.00 100.00

TOTAL 1035.00

8 5/8" PLUG & FLOAT EQUIPMENT

WOODEN PLUG 1 @ 60.00 60.00

\_\_\_\_\_ @ \_\_\_\_\_

\_\_\_\_\_ @ \_\_\_\_\_

\_\_\_\_\_ @ \_\_\_\_\_

\_\_\_\_\_ @ \_\_\_\_\_

APPLICABLE TAX WILL BE CHARGED UPON INVOICING

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.

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WICHITA, KS

SIGNATURE Scott Musgrave

Scott Musgrave  
PRINTED NAME

TOTAL CHARGE \_\_\_\_\_  
DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS