

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL

Form ACO-1
September 1999
Form Must Be Typed

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

Operator: License # 6039
 Name: L. D. DRILLING, INC.
 Address: 7 SW 26 AVE
 City/State/Zip: GREAT BEND, KS 67530
 Purchaser: Eagling Trading
 Operator Contact Person: L. D. DAVIS
 Phone: (620) 793-3051
 Contractor: Name: PETROMARK DRILLING, LLC
 License: 33323
 Wellsite Geologist: JOSH AUSTIN
 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>11/19/07</u>	<u>11/26/07</u>	<u>12/03/07</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 185-23489-0000
 County: STAFFORD
SW SE NE SE Sec. 3A Twp. 21 S. R. 12 East West
2060 feet from S / (N) (circle one) Line of Section
1280 feet from (E) / W (circle one) Line of Section
 Footages Calculated from Nearest Outside Section Corner:
 (circle one) (NE) SE NW SW
 Lease Name: RUGAN "B" Well #: 1
 Field Name: _____
 Producing Formation: ARBUCKLE
 Elevation: Ground: 1843' Kelly Bushing: 1848'
 Total Depth: 3457' Plug Back Total Depth: _____
 Amount of Surface Pipe Set and Cemented at 382 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/ _____ sq 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.: _____

Handwritten: A171-Dlg-129/09

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: Susan Schreiner
 Title: CLERK Date: FEBRUARY 29, 2008
 Subscribed and sworn to before me this 29 day of February
20 08
 Notary Public: Rashell Patten
Rashell Patten

NOTARY PUBLIC STATE OF KANSAS
 Rashell Patten
 My Comm. Expires 2/2/11
 MAY ADPL. EXP. 2-2-11

KCC Office Use ONLY

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

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CONSERVATION DIVISION
 WICHITA, KS

Operator Name: L. D. DRILLING, INC. Lease Name: RUGAN "B" Well #: 1
 Sec. 3A Twp. 21 S. R. 12 East West County: STAFFORD

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)

Log Formation (Top), Depth and Datum Sample
 Name Top Datum

List All E. Logs Run:

SEE ATTACHED

GAMMA RAY / NEUTRON CEMENT BOND LOG

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"	24#	382	60/40 POZMIX	350	2% Gel 3% CC
Production	7 7/8"	5 1/2"	15.5#	3449'	60/40 POZMIX	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 (Amount and Kind of Material Used)	Depth
		300 GAL 15% NE	

TUBING RECORD	Size 2 7/8"	Set At 3446'	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. DECEMBER 04, 2007	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. 4	Gas Mcf	Water Bbls. 6	Gas-Oil Ratio	Gravity
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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) _____

DAILY DRILLING REPORT

OPERATOR: **L.D. DRILLING, INC.** LEASE: **RUGAN "B" #1**
 SW SE NE Sec 3-21-12
 WELLSITE GEOLOGIST: **KIM SHOEMAKER** Stafford Co., KS
 CONTRACTOR: **PETROMARK DRILLING** ELEVATION: GR: 1843'
 KB: 1848'
 SPUD: 11/19/07 @ 5:00 p.m. PTD: 3500'
 SURFACE: Ran 9 jts 8 5/8" Surface Casing, Tally 372', Set @ 382', w/ 350 sx
 60/40 Pozmix, 3% CC, 2% Gel, 1/4# FloSeal, DID CIRCULATE,
 Plug Down 1:30 A.M. 11/20/07 by Basic Energy ticket # 17401

11/16/07 Move in
 11/19/07 Rig up & spud
 11/20/07 382' Waiting on Cement
 11/21/07 1807' Drilling
 11/22/07 Shut Down for Thanksgiving
 11/23/07 2550' Start up
 11/24/07 3143' Drilling
 11/25/07 3385' Drilling
 11/26/07 3457' Pulling DST #3
 RTD 3457' NO LOG
 Ran 8jts 15.5# 5 1/2" Production Casing,
 Set @ 3449', 8' off Bottom w/ Packer Shoe
 Cement w/ 150 sx 60/40 Pozmix, 15 sx @ Rathole,
 Plug Down 6:30 P.M.
SAMPLE TOPS:
 Heebner 3057 (-1207)
 Toronto 3076 (-1226)
 Douglas 3089 (-1239)
 Brown Lime 3187 (-1337)
 Lansing 3203 (-1353)
 Arbuckle 3440 (-1590)
 RTD 3457 (-1607)
 (Used 1850' KB off Geo)

DST #1 3192 - 3270' LKC "A-F"
 TIMES: 30-30
 BLOW: 1st Open: weak 1/2"
 2nd Open: canceled
 RECOVERY: 30' oil specked mud
 IFP: 21-26 ISIP: 147
 TEMP: 93 degrees
DST #2 3407 - 3449' Arbuckle
 TIMES: 30-30-30-30
 BLOW: 1st Open: weak 1/2"
 2nd Open: weak died 20 min
 RECOVERY: 40' slmco (15% m, 85% oil)
 IFP: 23-33 ISIP: 222
 FFP: 35-41 FSIP: 228
 TEMP: 100 degrees
DST #3 3409 - 3458' Arbuckle
 TIMES: 30-45-45-60
 BLOW: 1st Open: strong bob 30 sec
 2nd Open: strong bob 1 min
 RECOVERY: 120' gip, 1030' cgo (20% g, 80% o)
 250' hvymcgo (30% m, 20% g, 50% o), 120' g & ocwm
 (15% g, 25% o, 25% w, 35% m)
 IFP: 208-420 ISIP: 802
 FFP: 468-589 FSIP: 708
 TEMP: 110 degrees

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BASIC

energy services, L.P.

FIELD ORDER 17401

Subject to Correction

Date 11-19-07	Customer ID	Lease <u>Rujan</u>	Well # <u>B-1</u>	Legal <u>3-21-12</u>
L.D. Drilling Inc		County <u>Stafford</u>	State <u>KS</u>	Station <u>Pratt</u>
		Depth <u>387</u>	Formation	Shoe Joint <u>42</u>
		Casing <u>8 5/8 25'</u>	Casing Depth <u>387</u>	TD <u>387</u>
		Customer Representative	Treater <u>Steve Orlando</u>	Job Type <u>CNW-Surface</u>

AFE Number	PO Number	Materials Received by X <u>Dave Kouch</u>	DLS
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Station Code	Product Code	QUANTITY	MATERIALS, EQUIPMENT, and SERVICES USED	UNIT PRICE	AMOUNT
P	D203	350 sks	60/40 P02	-	3748.50
P	C174	88 Lb	Cellulose	-	325.60
P	C310	903 Lb	Calcium Chloride	-	903.00
P	S163	1 ea	Wooden Cement Plug 8 5/8	-	88.90
P	E100	100 mi	Heavy Vehicle Mileage		500.00
P	E101	50 mi	Pickup Mileage		150.00
P	E104	75 3/4	Bulk Delivery		1304.00
P	E107	350 sk	Cement Service Charge		535.00
P	E394	1 ea	Service Supervisor		150.00
P	R701	1 ea	Cement Head Pumper 301-500		724.00
P	R701	1 ea	Cement Head Rental		250.00
Discounted price plus taxes					7365.96

Handwritten signature

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Customer E.D. DRILLING	Lease No.	Date 11-19-07
Lease RUGAN	Well # B-1	
Field Order # 11401	Station PRATT, KS.	Casing 8 5/8
	Depth	County STAFFORD
Type Job CNLU - 8 5/8 SURFACE PIPE	Formation	State KS.
		Legal Description 3-21-12

PIPE DATA		PERFORATING DATA		FLUID USED		TREATMENT RESUME		
Casing Size	Tubing Size	Shots/Ft		Acid	RATE	PRESS	ISIP	
8 5/8								
Depth	Depth	From	To	Pre Pad	Max		5 Min.	
Volume	Volume	From	To	Pad	Min		10 Min.	
Max Press	Max Press	From	To	Frac	Avg		15 Min.	
Well Connection	Annulus Vol.	From	To		HHP Used		Annulus Pressure	
Plug Depth 312	Packer Depth	From	To	Flush 23.5 BBL	Gas Volume		Total Load	

Customer Representative	Station Manager DAVE SCOTT	Treater STEVE URLANDO	
Service Units	19869	19842	19860
Driver Names	URLANDO	SCOTT	SHELDON

Time	Casing Pressure	Tubing Pressure	Bbls. Pumped	Rate	Service Log
11:00 AM					ON LOCATION - SAFETY MEETING
					RUN 655. 2 1/2" CASING
					CSG IN BOTTOM
					HOOK UP TO CSG - BREAK CIRC. W/ RIG
1:00	250		3	5.0	H2O AHEAD
1:01	200		78	5.0	MIX 350 SKS. 60/40 PIZ. @ 14.72 lbs/gal
					SHUT DOWN - RELEASE PLUG
1:20	0			5.0	START DISP.
1:25	150		23.5	5.0	PLUG DOWN
					CIRCULATED 10 BBL TO PIT
					JOB COMPLETE
					THANKS.
					STEVE URLANDO

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As consideration, the Customer agrees:

- a)** To pay BASIC ENERGY SERVICES, L.P. in accordance with the rates and terms stated in BASIC ENERGY SERVICES, L.P.'s current price list. Invoices are payable NET 30 after date of invoice. Upon Customer's default payment of Customer's account by the last day of the month following the month in which the invoice is dated, Customer agrees to pay interest thereon after default at the highest lawful contract rate applicable but never to exceed 18% per annum. In the event it becomes necessary to employ attorneys to enforce collection of said account, Customer agrees to pay all collection cost and attorney fees in the amount of the unpaid account.
- b)** To defend indemnify, release and hold harmless BASIC ENERGY SERVICES, L.P., its divisions, subsidiaries, parent and affiliated companies and the officers, directors, employees, agents and servants of all of them from and against any claims, liability, expenses, attorney's fees and costs of defense to the extent permitted by law for:
1. Damage to property owned by, in the possession of, or leased by Customer, and/or the well owner (if different from Customer), including but not limited to, surface and subsurface damage. The term "well owner" shall include working and royalty interest owners.
 2. Reservoir, formation, or well loss or damage, subsurface trespass or any action in the nature thereof.
 3. Personal injury of death or property damage (including, but not limited to, damage to the reservoir, formation or well), or any damages whatsoever, growing out of or in any way connected with or resulting from pollution, subsurface pressure, losing control of the well and/or a well blowout or the use of radioactive material. The amount of this invoice is due and payable at BASIC ENERGY SERVICES, L.P., Dept. No. 1131, Tulsa, Oklahoma 74182. All terms of the Service order with customer are incorporated herein and made a part hereof by reference.

The defense, indemnity, release and hold harmless obligations of Customer provided for in this Section b) and Section c) below shall apply to claims or liability even if caused or contributed to by BASIC ENERGY SERVICES, L.P. negligence, strict liability, or operated, or furnished by BASIC ENERGY SERVICES, L.P. or any defect in the data, products, supplies, materials, or equipment of BASIC ENERGY SERVICES, L.P. whether the preparation, design, manufacture, distribution, or marketing thereof, or from a failure to warn any person of such defect. Such defense, indemnity, release and hold harmless obligations of Customer shall not apply where the claims or liability are caused by the gross negligence or willful misconduct of BASIC ENERGY SERVICES, L.P. The term "BASIC ENERGY SERVICES, L.P." as used in said Section b) and c) shall mean BASIC ENERGY SERVICES, L.P., its divisions, subsidiaries, parent and affiliated companies, and the officers, directors, employees, agents and servants of all of them.

c) That because of the uncertainty of variable well conditions and the necessity of relying on facts and supporting services furnished by others, BASIC ENERGY SERVICES, L.P. is unable to guarantee the effectiveness of the products, supplies, or materials, nor the results of any treatment or service, nor the accuracy of any chart interpretation, research analysis, job recommendation or other data furnished by BASIC ENERGY SERVICES, L.P. BASIC ENERGY SERVICES, L.P. personnel will use their best efforts in gathering such information and their best judgement in interpreting it, but Customer agrees that BASIC ENERGY SERVICES, L.P. shall not be liable for and Customer shall indemnify BASIC ENERGY SERVICES, L.P. against any damages from the use of such information.

d) That BASIC ENERGY SERVICES, L.P. warrants only title to the products, supplies, and materials and that the same are free from defects in workmanship and materials. THERE ARE NO WARRANTIES, EXPRESS OR IMPLIED OF MERCHANTABILITY, FITNESS OR OTHERWISE WHICH EXTEND BEYOND THOSE STATED IN THE IMMEDIATELY PRECEDING SENTENCE. BASIC ENERGY SERVICES, L.P.'s liability and Customer's exclusive remedy in and cause of action (whether in contract, tort, breach of warranty or otherwise) arising out of the sale or use of any products, supplies or materials is expressly limited to the replacement of such products, supplies or materials on their return to BASIC ENERGY SERVICES, L.P. or, at BASIC ENERGY SERVICES, L.P.'s option, to the allowance to the Customer of credit for the cost of such items. In no event shall BASIC ENERGY SERVICES, L.P. be liable for special, incidental, indirect, punitive or consequential damages.

e) To waive the provisions of the Deceptive Trade Practices - Consumer Protection Act, to the extent permitted by law. We certify that the Fair Labor Standards Act of 1938, as amended, has been complied with in the production of goods and/or with respect to service furnished under this contract.

f) That this contract shall be governed by the law of the state where services are performed or materials are furnished.

g) That BASIC ENERGY SERVICES, L.P. shall not be bound by any changes or modifications in this contract, except where such change or modification is made in writing by a duly authorized manager of BASIC ENERGY SERVICES, L.P.

Customer <i>L.P. Energy Services</i>	Lease No.	Date <i>11-26-07</i>
Lease <i>1-1-1-1</i>	Well # <i>131</i>	
Field Order # <i>1145</i>	Station <i>P204</i>	Casing <i>5 1/2</i>
		Depth
Type Job <i>ENW Leasing</i>	Formation	Legal Description <i>3 21-12</i>
		County <i>STAFFORD</i>
		State <i>KS</i>

PIPE DATA		PERFORATING DATA		FLUID USED		TREATMENT RESUME		
Casing Size	Tubing Size	Shots/Ft		Acid	RATE	PRESS	ISIP	
<i>5 1/2</i>				<i>150 gal 4% p02</i>				
Depth	Depth	From	To	Pre Pad	Max		5 Min.	
<i>344'</i>								
Volume	Volume	From	To	Pad	Min		10 Min.	
<i>52</i>								
Max Press	Max Press	From	To	Frac	Avg		15 Min.	
<i>2000</i>								
Well Connection	Annulus Vol.	From	To		HHP Used		Annulus Pressure	
<i>PC</i>								
Plug Depth	Packer Depth	From	To	Flush	Gas Volume		Total Load	
<i>3433</i>								

Customer Representative	Station Manager <i>DAVE SCOTT</i>	Treater <i>Robert Sullivan</i>
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Service Units	<i>19807</i>	<i>19841</i>	<i>19826</i>	<i>19807</i>						
Driver Names	<i>Sullivan</i>	<i>Molson</i>	<i>Phye</i>							

Time	Casing Pressure	Tubing Pressure	Bbls. Pumped	Rate	Service Log
<i>0230</i>					<i>on loc. Sully meeting</i>
					<i>Run 86 Jts 5 1/2" 13.5" casing</i>
					<i>containing 2, 4, 6, 8, 10 casing 31' 8"</i>
					<i>of bottom of packer shoe</i>
<i>0500</i>					<i>CASING ON BOTTOM</i>
<i>0510</i>					<i>Hook Rig to Circ</i>
<i>0535</i>					<i>STOP DRIP BILL</i>
<i>0550</i>	<i>1500</i>		<i>3</i>		<i>Hook up Truck open Packer shoe</i>
<i>0555</i>	<i>2000</i>		<i>12</i>	<i>45</i>	<i>START MAIN FLUSH</i>
			<i>10</i>		<i>STILL 1 1/2" SPARK</i>
					<i>mix cont 150 gal 4% p02 @ 19.411/100</i>
<i>0610</i>			<i>37</i>		<i>Shut down wait pump 2 Lines</i>
					<i>Release plug</i>
<i>0615</i>	<i>200</i>			<i>5.5</i>	<i>START DRIP</i>
				<i>4</i>	<i>200 PSI</i>
	<i>300</i>		<i>60</i>	<i>4.0</i>	<i>slow Rot.</i>
<i>0630</i>	<i>1500</i>		<i>82</i>	<i>3.0</i>	<i>Plug down</i>
					<i>Plug R.H. 11.44</i>
<i>0730</i>					<i>Thank you John Corlito</i>

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