

**CONFIDENTIAL**

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

**ORIGINAL**

1/2/09  
Form ACO-1  
September 1999  
Form Must Be Typed

Operator: License # 33573  
Name: Arena Resources, Inc.  
Address: 4920 S. Lewis, Suite 107  
City/State/Zip: Tulsa, OK 74105  
Purchaser: None  
Operator Contact Person: Mike Bamhart  
Phone: ( 919 ) 747-6060  
Contractor: Name: Cheyenne Drilling LP  
License: 33375  
Wellsite Geologist: Ron Osterbuhr

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**JAN 02 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. \_\_\_\_\_  
11-30-06    12-2-06  
Spud Date or    Date Reached TD    Completion Date or  
Recompletion Date       Recompletion Date

API No. 15 - 081-21689 ~~00-00~~  
County: Finney  
\_\_\_\_\_ C \_\_\_\_\_ SE Sec. 1 Twp. 27S S. R. 31  East  West  
1320 feet from (S) N (circle one) Line of Section  
1320 feet from (E) W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:  
(circle one) NE (SE) NW SW  
Lease Name: Nally Well #: 1-1  
Field Name: Hugoton  
Producing Formation: None  
Elevation: Ground: 2790 Kelly Bushing: 2796  
Total Depth: 2767 Plug Back Total Depth: \_\_\_\_\_  
Amount of Surface Pipe Set and Cemented at 572 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** AA NH 9-8-08  
(Data must be collected from the Reserve Pit)  
Chloride content 7000 ppm Fluid volume 1000 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: Mike Bamhart  
Title: Production Manager Date: 12-15-06  
Subscribed and sworn to before me this 2<sup>nd</sup> day of January  
2007  
Notary Public: Susan Q. Bundy  
Date Commission Expires: 06-02-2007  
Commission # 03002103

**KCC Office Use ONLY**

Letter of Confidentiality Received  
If Denied, Yes  Date: \_\_\_\_\_ **RECEIVED**  
 Wireline Log Received **KANSAS CORPORATION COMMISSION**  
 Geologist Report Received **JAN 05 2007**  
 UIC Distribution  
**CONSERVATION DIVISION WICHITA, KS**

Operator Name: Arena Resources, Inc. Lease Name: Nally Well #: 1-1  
 Sec. 1 Twp. 27S S. R. 31  East  West County: Finney

**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 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:  <b>Dual Ind Log; Comp Neut/Density Log</b>	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input 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>Blaine</td> <td>1154</td> <td>+1642</td> </tr> <tr> <td>Cedar Hills</td> <td>1346</td> <td>+1450</td> </tr> <tr> <td>Stone Corral (Base)</td> <td>1900</td> <td>+896</td> </tr> <tr> <td>Hollenberg</td> <td>2646</td> <td>+150</td> </tr> <tr> <td>Herrington</td> <td>2687</td> <td>+109</td> </tr> <tr> <td>Krider</td> <td>2717</td> <td>+79</td> </tr> <tr> <td>Odell</td> <td>2736</td> <td>+60</td> </tr> <tr> <td>Total Depth</td> <td>2767</td> <td>+29</td> </tr> </table>	Name	Top	Datum	Blaine	1154	+1642	Cedar Hills	1346	+1450	Stone Corral (Base)	1900	+896	Hollenberg	2646	+150	Herrington	2687	+109	Krider	2717	+79	Odell	2736	+60	Total Depth	2767	+29
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Total Depth	2767	+29																										

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 Csg	12 1/4	8 5/8	24	572	Lite & CI 'A'	200 & 150	3% CC, 1/4# floeal,

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				

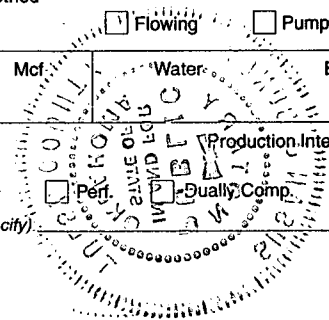
Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used)	Depth

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 checked="" 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
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Disposition of Gas <input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	METHOD OF COMPLETION <input type="checkbox"/> Open Hole <input type="checkbox"/> Perforated <input type="checkbox"/> Dually Comp <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____
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# GEOLOGICAL SUMMARY

**Arena Resources, Inc.**  
**Nally Land & Cattle Company #1-1**  
**1320' FEL, 1560' FSL Sec 1-T27S-R31W**  
**Haskell County, Kansas**  
**API #15-081-21689**  
**Elevations: G.L.- 2790', K.B.- 2796' (reference datum)**

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The following formation depths were determined from cased-hole electric logs, and the sub-sea datums are referenced to the KB elevation of 2796':

<u>Formation</u>	<u>Log Depth</u>	<u>Datum</u>	<u>+/- to Nally #1-7</u>
T/Blaine	1154'	+1642'	-33'
T/Cedar Hills	1346'	+1450'	-32'
B/Stone Corral	1900'	+ 896'	-38'
T/Hollenberg	2646'	+ 150'	-25'
T/Herington	2687'	+ 109'	-31'
T/Krider	2717'	+ 79'	-28'
T/Odell	2736'	+ 60'	-28'
Total Depth	2767'	+ 29'	

The sub-sea datums are also compared to datums from the Arena Resources-Nally #1-7 well located in the SW SW sec 7-T27S-R30W.

The Herington-Krider interval consists primarily of tan to light gray, finely crystalline to sucrosic, slightly argillaceous and silty dolomite, with intercrystalline to vuggy porosity. The Odell Shale from consists of light gray, silty, slightly calcareous to dolomitic shale and siltstone. Because of the low relative structural position to known producing wells in the area, and the low resistivities in the potential productive intervals, it was recommended that this well be plugged and abandoned.



Ron Osterbuhr  
12/2006

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**KANSAS CORPORATION COMMISSION**  
**JAN 05 2007**  
**CONSERVATION DIVISION**  
**WICHITA, KS**

DRILLER'S LOG

ARENA RESOURCES, INC  
WELL #1-1  
SECTION 1-T27S-R31W  
HASKELL COUNTY, KANSAS

COMMENCED: 11-30-06  
COMPLETED: 12-03-06

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SURFACE CASING: 568' OF 8 5/8" CMTD  
W/206 SKS PREMIUM PLUS LITE + 3% CC +  
1/4#SK FLOCELE. TAILED W/150 SKS COMM  
+ 3% CC.

FORMATION

DEPTH

FORMATION	DEPTH
SAND	0 - 105
SAND & CLAY	105 - 550
RED BED	550 - 1200
GLORIETTA	1200 - 1450
SHALE & LIMESTONE	1450 - 2760 RTD

I DO HEREBY CERTIFY THAT THE FOREGOING STATEMENTS ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

CHEYENNE DRILLING

*Jack Pepper*  
JACK PEPPER

STATE OF KANSAS: ss:

SUBSCRIBED AND SWORN TO BEFORE ME THIS 7<sup>TH</sup> DAY OF DECEMBER, 2006.

JOLENE K. RUSSELL

*Jolene K. Russell*  
NOTARY PUBLIC



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**KANSAS CORPORATION COMMISSION**  
**JAN 05 2007**  
**CONSERVATION DIVISION**  
**WICHITA, KS**

# ALLIED CEMENTING CO., INC. 24574

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

SERVICE POINT:

Oakley

DATE <u>12/2/06</u>	SEC. <u>1</u>	TWP. <u>27s</u>	RANGE <u>31W</u>	CALLED OUT	ON LOCATION	JOB START <u>8:30am</u>	JOB FINISH <u>10:30</u>
LEASE <u>Nally</u>		WELL # <u>1-1</u>	LOCATION <u>Copeland 12W 1 1/4 W N/S</u>			COUNTY <u>Haskell</u>	STATE <u>Ks</u>
OLD OR NEW (Circle one) <input checked="" type="radio"/> OLD <input type="radio"/> NEW							

**KCC**

JAN 02 2007

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CONTRACTOR Chycenne #11

TYPE OF JOB Rotary Plug

HOLE SIZE 7 1/2" T.D.

CASING SIZE 8 1/2" DEPTH 570

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

DRILL PIPE 4 1/2 16.60\* DEPTH 1920

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

PRES. MAX 200 MINIMUM 50

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

CEMENT LEFT IN CSG. \_\_\_\_\_

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

DISPLACEMENT \_\_\_\_\_

OWNER Sa.m.c

CEMENT AMOUNT ORDERED 170 sks 60/40 + 69 g-gel

COMMON	<u>102 sks</u>	@	<u>12.20</u>	<u>1244.40</u>
POZMIX	<u>68 sks</u>	@	<u>6.50</u>	<u>414.80</u>
GEL	<u>9 sks</u>	@	<u>16.65</u>	<u>149.85</u>
CHLORIDE		@		
ASC		@		
		@		
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>179 sks</u>	@	<u>1.90</u>	<u>340.10</u>
MILEAGE	<u>98 1/2 sk/mi</u>			<u>886.25</u>
				<b>TOTAL</b> <u>3035.20</u>

**EQUIPMENT**

PUMP TRUCK CEMENTER Max

# 373-281 HELPER Andrew

BULK TRUCK

# 315 DRIVER Dean

BULK TRUCK

# \_\_\_\_\_ DRIVER \_\_\_\_\_

**REMARKS:**

Spot Plug 50 sks @ 1920

50 sks @ 930

50 sks @ 570

20 sks @ 60

**SERVICE**

DEPTH OF JOB 1920 FT

PUMP TRUCK CHARGE \_\_\_\_\_ 815.00

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

MILEAGE 55 mi @ 6.00 330.00

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

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

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

**TOTAL** 1145.00

CHARGE TO: Arcon Resources

STREET \_\_\_\_\_

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

**PLUG & FLOAT EQUIPMENT**

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

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

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

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

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

**TOTAL** \_\_\_\_\_

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.

TAX \_\_\_\_\_

TOTAL CHARGE \_\_\_\_\_

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

SIGNATURE HAWK

PRINTED NAME \_\_\_\_\_

# ALLIED CEMENTING CO., INC. 24572

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

SERVICE POINT:  
Oakley

DATE <u>11/30/06</u>	SEC. <u>1</u>	TWP. <u>77s</u>	RANGE <u>31W</u>	CALLED OUT	ON LOCATION	JOB START <u>1:00 PM</u>	JOB FINISH <u>2:00 PM</u>
LEASE <u>Nally</u>		WELL# <u>1-1</u>	LOCATION <u>83+ Rd 30 12 E W 1/4 S 15</u>			COUNTY <u>Haskell</u>	STATE <u>KS</u>
OLD OR <input checked="" type="radio"/> NEW (Circle one)							

CONTRACTOR <u>Max</u>	OWNER <u>Arden</u>
TYPE OF JOB <u>Drill</u>	
HOLE SIZE <u>12 1/4"</u>	T.D. <u>575</u>
CASING SIZE <u>9 5/8"</u>	DEPTH <u>575</u>
TUBING SIZE	DEPTH
DRILL PIPE	DEPTH
TOOL	DEPTH
PRES. MAX <u>500</u>	MINIMUM
MEAS. LINE	SHOE JOINT <u>40</u>
CEMENT LEFT IN CSG.	
PERFS.	
DISPLACEMENT <u>33.76</u>	

CEMENT		
AMOUNT ORDERED		
<u>2000 lbs Lite + 3900 lbs 110 Seal</u>		
<u>150 sbs Class A + 3900</u>		
COMMON <u>150 sbs</u>	@ <u>12.20</u>	<u>1830.00</u>
POZMIX	@	
GEL	@	
CHLORIDE <u>12.00</u>	@ <u>46.60</u>	<u>559.20</u>
ASC	@	
<u>Lite weight 2000s</u>	@ <u>11.30</u>	<u>2260.00</u>
<u>Flu-Seal 50#</u>	@ <u>2.00</u>	<u>100.00</u>
	@	
	@	
	@	
	@	
	@	
HANDLING <u>374.50</u>	@ <u>1.90</u>	<u>710.60</u>
MILEAGE <u>98.108 / mi</u>		<u>1951.30</u>
TOTAL		

**EQUIPMENT**

PUMP TRUCK	CEMENTER <u>Max</u>
# <u>77-741</u>	HELPER <u>Arden</u>
BULK TRUCK	
# <u>306</u>	DRIVER <u>Kelly</u>
BULK TRUCK	
#	DRIVER

**REMARKS:**

150 sbs + 3900 lbs 110 Seal + 2000 lbs Lite  
1500 lbs Class A + 3900 lbs 110 Seal  
1500 lbs Class A + 3900 lbs 110 Seal  
1500 lbs Class A + 3900 lbs 110 Seal

**SERVICE**

DEPTH OF JOB <u>575'</u>	
PUMP TRUCK CHARGE	<u>815.00</u>
EXTRA FOOTAGE <u>2.70</u>	@ <u>65</u> <u>175.50</u>
MILEAGE <u>55 mi</u>	@ <u>6.00</u> <u>330.00</u>
MANIFOLD <u>Head Rental</u>	@ <u>100.00</u>
	@
	@
TOTAL	

CHARGE TO: Arden Drilling  
STREET \_\_\_\_\_  
CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

**PLUG & FLOAT EQUIPMENT**

<u>1-5/8 Rubber Plug</u>	@	<u>100.00</u>
<u>1-5/8 AFU Inlet</u>	@	<u>325.00</u>
<u>3-5/8 Centralizer</u>	@ <u>55.00</u>	<u>165.00</u>
<u>1-5/8 Cement Bucket</u>	@	<u>180.00</u>
<u>1-Thread Lock</u>	@	<u>30.00</u>
TOTAL		

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.

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

SIGNATURE Arden

PRINTED NAME \_\_\_\_\_



4920 S. Lewis, Suite 107 Tulsa, Oklahoma 74105  
Phone (918) 747-6060 FAX (918) 747-7620

1/2/09

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

January 2, 2007

Re: Nally #1-1  
API # 15-081-21689  
Haskell County, KS

**KCC**  
JAN 02 2007  
**CONFIDENTIAL**

Gentlemen:

Arena Resources, Inc. respectfully requests that the referenced well completion information be held confidential for the maximum time allowed by rule.

Sincerely,

A handwritten signature in cursive script that reads "Mike Barnhart".

Mike Barnhart

**RECEIVED**  
KANSAS CORPORATION COMMISSION

JAN 05 2007

CONSERVATION DIVISION  
WICHITA, KS