

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

Operator: License # 30717
Name: DOWNING-NELSON OIL COMPANY, INC
Address: PO BOX 372
City/State/Zip: HAYS, KS 67601
Purchaser: _____
Operator Contact Person: RON NELSON
Phone: (785) 621-2610
Contractor: Name: DISCOVERY DRILLING CO., INC.
License: 31548
Wellsite Geologist: RON NELSON & ALAN DOWNING

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>07/12/06</u>	<u>07/18/06</u>	<u>07/19/06</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 195-22,373-00-00
County: TREGO
SW SE NW SW Sec. 12 Twp. 13 S. R. 22 East West
1420 feet from (S) N (circle one) Line of Section
800 feet from E / (W) (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW (SW)
Lease Name: ELSIE Well #: 1-12
Field Name: WILDCAT

Producing Formation: ARBUCKLE
Elevation: Ground: 2252 Kelly Bushing: 2260
Total Depth: 4105 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at 222.87 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set 1661 Feet
If Alternate II completion, cement circulated from 1661
feet depth to SURFACE w/ 180 sx cmt.

Drilling Fluid Management Plan *Alt II W/ln 1-24-08*
(Data must be collected from the Reserve Pit)
Chloride content 14,000 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: VICE PRESIDENT Date: 10/12/06

Subscribed and sworn to before me this 12 day of Oct,
2006.

Notary Public: [Signature]

Date Commission Expires: 7/28/09

MICHELE L. MEIER
NOTARY PUBLIC
STATE OF KANSAS
My Appt. Exp. 7/28/09

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

RECEIVED
OCT 16 2006
KCC WICHITA

Operator Name: DOWNING-NELSON OIL COMPANY, INC Lease Name: ELSIE Well #: 1-12
 Sec. 12 Twp. 13 S. R. 22 East West County: TREGO

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, MICRO, SONIC & COMPENSATED DENSITY	<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>TOP ANHYDRITE</td> <td>1712</td> <td>+574</td> </tr> <tr> <td>BASE ANHYDRITE</td> <td>1750</td> <td>+536</td> </tr> <tr> <td>TOPEKA</td> <td>3374</td> <td>-1088</td> </tr> <tr> <td>HEEBNER</td> <td>3606</td> <td>-1320</td> </tr> <tr> <td>TORONTO</td> <td>3624</td> <td>-1338</td> </tr> <tr> <td>LKC</td> <td>3640</td> <td>-1354</td> </tr> <tr> <td>BKC</td> <td>3879</td> <td>-1593</td> </tr> <tr> <td>MARMATON</td> <td>3981</td> <td>-1695</td> </tr> </table>	Name	Top	Datum	TOP ANHYDRITE	1712	+574	BASE ANHYDRITE	1750	+536	TOPEKA	3374	-1088	HEEBNER	3606	-1320	TORONTO	3624	-1338	LKC	3640	-1354	BKC	3879	-1593	MARMATON	3981	-1695
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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"	20	222.87	COMMON	150	2% GEL & 3% CC
Production St.	7 7/8	5 1/2	14	4107	EA/2	150	
			DV Tool @	1661'	SMDC	180	

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
4	3991' - 3995'	250 GAL. OF 15% MUD ACID	
4	3665' - 3669'	250 GAL. OF 15% MUD ACID	

TUBING RECORD	Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
	2 3/8	4064.90'		
Date of First, Resumerd Production, SWD or Enhr. 8/25/06		Producing Method <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 Mcf	Water Bbls.	Gas-Oil Ratio Gravity
	35	0	0	

Disposition of Gas Vented Sold Used on Lease *(If vented, Submit ACO-18.)*

METHOD OF COMPLETION Open Hole Perf. Dually Comp. Commingled Other (Specify) _____

Production Interval _____

Downing & Nelson Oil Company
PO Box 372
Hays, KS 67601

Elsie #1-12
12-13-22

Formation Tops Continued

Name	Top	Datum
Cherokee Shale	3969	-1709
Arbuckle	3991	-1731

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Allied Cementing Co., Inc
P.O. Box 31

Russell, KS 67665

*
* I N V O I C E *
*

Invoice Number: 103417

Invoice Date: 07/17/06

Sold Downing Nelson Oil Co. Inc
To: P. O., Box 372
Hays, KS
67601

PAID AUG 08 2006
#4576

Cust I.D.....: Down
P.O. Number...: Elsie 1-12
P.O. Date.....: 07/17/06

Due Date.: 08/16/06
Terms.....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	150.00	SKS	10.6500	1597.50	T
Gel	3.00	SKS	16.6500	49.95	T
Chloride	5.00	SKS	46.6000	233.00	T
Handling	158.00	SKS	1.9000	300.20	E
Mileage	46.00	MILE	12.6400	581.44	E
158 sks @.08 per sk per mi					
Surface	1.00	JOB	815.0000	815.00	E
Mileage pmp trk	46.00	MILE	5.0000	230.00	E
Wood Plug	1.00	EACH	60.0000	60.00	T

All Prices Are Net, Payable 30 Days Following	Subtotal:	3867.09
Date of Invoice. 1 1/2% Charged Thereafter.	Tax.....:	112.54
If Account CURRENT take Discount of \$ <u>386.71</u>	Payments:	0.00
ONLY if paid within 30 days from Invoice Date	Total....:	3979.63

386.71

3592.92

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P. O. Box 466
Ness City, KS 67560
Off: 785-798-2300



Invoice

DATE	INVOICE #
7/19/2006	10154

BILL TO
Downing Nelson Oil Co. Inc. PO Box 372 Hays, KS 67601

PAID AUG 21 2006
✓ #4554
Acidizing
• Cement
• Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1-12	Elsie	Trego	Discovery Drilling...	Oil	Development	2 Stage LongString	Dave
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
575D	Mileage - 1 Way				40	Miles	4.00	160.00
579D	Pump Charge - Two-Stage				1	Job	1,750.00	1,750.00
221	Liquid KCL (Clayfix)				4	Gallon(s)	26.00	104.00T
281	Mud Flush				500	Gallon(s)	0.75	375.00T
290	D-Air				3	Gallon(s)	32.00	96.00T
402-5	5 1/2" Centralizer				7	Each	60.00	420.00T
403-5	5 1/2" Cement Basket				1	Each	230.00	230.00T
407-5	5 1/2" Insert Float Shoe With Auto Fill				1	Each	250.00	250.00T
408-5	5 1/2" D.V. Tool & Plug Set				1	Each	2,800.00	2,800.00T
417-5	5 1/2" D.V. Latch Down Plug & Baffle				1	Each	200.00	200.00T
419-5	5 1/2" Rotating Head Rental				1	Each	250.00	250.00T
325	Standard Cement				150	Sacks	10.00	1,500.00T
330	Swift Multi-Density Standard (MIDCON II)				180	Sacks	12.50	2,250.00T
276	Flocele				82	Lb(s)	1.25	102.50T
283	Salt				900	Lb(s)	0.20	180.00T
284	Calseal				9	Sack(s)	30.00	270.00T
285	CFR-1				90	Lb(s)	4.00	360.00T
581D	Service Charge Cement				330	Sacks	1.10	363.00
583D	Drayage				680	Ton Miles	1.00	680.00
	Subtotal							12,340.50
	Sales Tax Trego County						5.80%	544.48

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Thank You For Your Business!

Total

\$12,884.98