

KCC

JAN 27 2006

CONFIDENTIAL

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 # 5822 Name: VAL Energy Inc. Address: 200 W. Douglas #520 City/State/Zip: Wichita, Ks. 67202 Purchaser: Maclaskey Oilfield Services Operator Contact Person: K. Todd Allam Phone: (316) 263-6688 Contractor: Name: VAL Energy Inc. License: 5822 Wellsite Geologist: Wes Hanson Designate Type of Completion: [X] New Well [ ] Re-Entry [ ] Workover [X] 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. 12-21-2005 12-31-2005 1-17-2006 Spud Date or Recompletion Date Date Reached TD Completion Date or Recompletion Date

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API No. 15 - -007229540000 County: Barber SW NE NE NE Sec. 31 Twp. 33s S. R. 10 [ ] East [X] West 495' feet from S (N) (circle one) Line of Section 495' feet from (E) W (circle one) Line of Section Footages Calculated from Nearest Outside Section Corner: (circle one) NE SE NW SW Lease Name: Brian Well #: 1-31 Field Name: Kochia Producing Formation: Mississippian Elevation: Ground: 1467 Kelly Bushing: 1477 Total Depth: 4730 Plug Back Total Depth: 4704 Amount of Surface Pipe Set and Cemented at 284 Feet Multiple Stage Cementing Collar Used? [ ] Yes [X] No If yes, show depth set Feet If Alternate II completion, cement circulated from feet depth to w/ sx cmt.

Drilling Fluid Management Plan (Data must be collected from the Reserve Pit) ALTIW 1-28-08 Chloride content 9500 ppm Fluid volume 800 bbls Dewatering method used Hauled Location of fluid disposal if hauled offsite: Operator Name: Messinger Pet Lease Name: Nichols SWD License No.: 4706 Quarter NE/4 Sec. 20 Twp. 30S S. R. 8W [ ] East [X] West County: Kingman Docket No.: D 27434

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: 1-27-2006 Subscribed and sworn to before me this 27 day of January 20 06. Notary Public: Gary D. Stearns Date Commission Expires:

GARY D. STEARNS NOTARY PUBLIC STATE OF KANSAS My Appt. Exp. 2-19-2008

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

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Side Two

ORIGINAL

Operator Name: VAL Energy Inc. Lease Name: Brian Well #: 1-31  
Sec. 31 Twp. 33s S. R. 10  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 (Attach Additional Sheets)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input type="checkbox"/> Log Formation (Top), Depth and Datum	<input type="checkbox"/> Sample
Samples Sent to Geological Survey	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Name	Top Datum
Cores Taken	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Heebner	3636 -2159
Electric Log Run (Submit Copy)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Stalnaker Sand	3954 -2477
List All E. Logs Run:		Stark Shale	4328 -2851
Dual Induction		Hertha	4366 -2889
Micro Log		Cherokee Shale	4549 -3072
Compensated Denisty/Neutron		Mississippian Chert	4591 -3114
Sonic			

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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	24	284	60/40 Poz	200 +	2%gel,3% CC
Production	7 7/8	5 1/2	14	4728	AA2	100	3%FLA,10%Salt,Gas Block, 5% GII

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
2 spf	4590-4608	1000 gal. 15% MA	
		Frac w/42mlb sand, 400bb Water/Nitrogen	

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TUBING RECORD	Size	Set At	Packer At	Liner Run
	2 7/8	4628		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Date of First, Resumerd Production, SWD or Enhr. 1-25-2006	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
	40	50	200		26

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: \_\_\_\_\_

# ALLIED CEMENTING CO., INC.

23033

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

SERVICE POINT:  
*Medicine Lodge, KS*

DATE <i>20 Dec 05</i>	SEC. <i>31</i>	TWP. <i>33S</i>	RANGE <i>10W</i>	CALLED OUT <i>3:00 PM</i>	ON LOCATION <i>5:00 PM</i>	JOB START <i>6:30 PM</i>	JOB FINISH <i>8:00 PM</i>
LEASE <i>Brian</i>	WELL # <i>1</i>	LOCATION <i>old US 160 &amp; tricity Rd, 7s, 24</i>			COUNTY <i>Barber</i>	STATE <i>KS</i>	
OLD OR NEW (Circle one) <u>NEW</u>			<i>split</i>				

CONTRACTOR *Val #3*

TYPE OF JOB *Surface*

HOLE SIZE <i>12 1/4</i>	T.D. <i>290</i>
CASING SIZE <i>8 5/8</i>	DEPTH <i>284</i>
TUBING SIZE	DEPTH
DRILL PIPE	DEPTH
TOOL	DEPTH
PRES. MAX <i>200</i>	MINIMUM <i>-</i>
MEAS. LINE	SHOE JOINT <i>N/A</i>
CEMENT LEFT IN CSG. <i>1.5'</i>	
PERFS.	
DISPLACEMENT <i>17 1/2 Bbls Fresh H<sub>2</sub>O</i>	

EQUIPMENT

OWNER *Val Energy*

CEMENT

AMOUNT ORDERED *200sx 60:40:2+3%cc*

COMMON <i>120</i>	<i>A</i>	@ <i>8.70</i>	<i>1044.00</i>
POZMIX <i>80</i>		@ <i>4.70</i>	<i>376.00</i>
GEL <i>4</i>		@ <i>14.00</i>	<i>56.00</i>
CHLORIDE <i>7</i>		@ <i>38.00</i>	<i>266.00</i>
ASC		@	

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HANDLING <i>211</i>	@ <i>1.60</i>	<i>337.60</i>
MILEAGE <i>20x.06x211</i>		<i>253.20</i>
		TOTAL <i>2332.80</i>

REMARKS:

*Pipe on Break Circ., Pump Preflush, Mix 200sx 60:40:2+3%cc, Stop Pump, Release Plug, Start Disp., Wash up on top of Plug, Slow Rate, Stop pump at 17 1/2 Bbls total Fresh H<sub>2</sub>O Displacement, shut in, Release PSI, Rig down - Cement did Circulate!*

SERVICE

DEPTH OF JOB <i>284'</i>		
PUMP TRUCK CHARGE		<i>670.00</i>
EXTRA FOOTAGE	@	
MILEAGE <i>20</i>	@ <i>5.00</i>	<i>100.00</i>
MANIFOLD head rental	@ <i>75.00</i>	<i>75.00</i>
		TOTAL <i>845.00</i>

CHARGE TO: *Val Energy*

STREET \_\_\_\_\_

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

PLUG & FLOAT EQUIPMENT

<i>1-Wooden Plug</i>	@ <i>55.00</i>	<i>55.00</i>
	@	
	@	
	@	
	@	
		TOTAL <i>55.00</i>

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.

**ANY APPLICABLE TAX WILL BE CHARGED UPON INVOICING**

TAX \_\_\_\_\_

TOTAL CHARGE ~~845.00~~

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

*Rick Smith*

PRINTED NAME

SIGNATURE *Rick Smith*

**TREATMENT REPORT**



Customer ID	Date
Customer Val Energy, Incorporated	1-1-06
Lease Brian	Lease No.
	Well # 1

Field Order # 11427	Station Pratt	Casing 5 1/2" 14#/ft.	Depth 4729'	County Barber	State KS.
Type Job Cement-Long String-New Well			Formation	Legal Description 31-335-10W	

PIPE DATA		PERFORATING DATA		FLUID USED	TREATMENT RESUME		
Casing Size 5 1/2" 14#/ft.	Tubing Size	Shots/Ft		100 sacks AA-2	RATE	PRESS	ISIP
Depth 4729'	Depth	From	To	Defoamer, .3% FL	Max	Friction Reducer, .25%	5 Min.
Volume 115.39 Bbl.	Volume	From	To	5#/sk. Gilsonite	Min	A-322, 10% Salt, .75% Gas Blot,	10 Min.
Max Press 1500 P.S.I.	Max Press	From	To	15#/Gal, 6.20 Gal/sk.	Avg	1.44 CU.FT./sk	15 Min.
Well Connection Plug Cont.	Annulus Vol.	From	To	25 sacks 60/40 Po	HHP Used	2 to plug rat & mouse holes	Annulus Pressure
Plug Depth, 4705'	Packer Depth	From	To	115 Bbl. Fresh H <sub>2</sub> O	Gas Volume		Total Load

Customer Representative Rick Smith	Station Manager Dave Scott	Treater Clarence R. Messick
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Service Units	119	228	381	572
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Time P.M.	Casing Pressure	Tubing Pressure	Bbls. Pumped	Rate	Service Log
1:40					Trucks on location and hold safety meeting
4:30					Val Drilling start to run Regular Guide Shoe, Shoe joint with Auto Fill inserts screwed into collar, and 12 jts. new 14#/ft. 5 1/2" casing. Ran turbolizer on collars #1, 3, 5, 7.
7:15					Casing in well. Circulate for 60 minutes
8:21	200			6	Start Fresh H <sub>2</sub> O Pre-Flush
	200		15	6	Start Mud Flush
	200		33	6	Start Fresh H <sub>2</sub> O Spacer
			38/4-3	3	Plug Mouse and Rat Holes
8:40	200			5	Start mixing 100 sacks AA-2 Cement
			25		Stop pumping. Shut in well. Wash pump & lines. Release plug. Open well
8:45	-0-			7	Start Fresh H <sub>2</sub> O Displacement
9:05	500		115		Plug down
	1500				Pressure up
					Release pressure. Insert held
					Wash up pump truck
9:40					Job Complete
					Thanks
					Clarence R. Messick



INVOICE NO.	Subject to Correction			<b>FIELD ORDER</b>	11427 ✓
Date	1-1-06	Lease	Brian	Well #	1
Customer ID		County	Barber	State	KS.
Val Energy, Incorporated		Depth		Formation	
		Casing	5 1/2" 14#/ft	Casing Depth	4729'
		Customer Representative	Rick Smith	Treater	Clarence R. Messick We
		TD	4730'	Job Type	Cement-Long String-Ne
		Shoe Joint	24'		

CHARGE

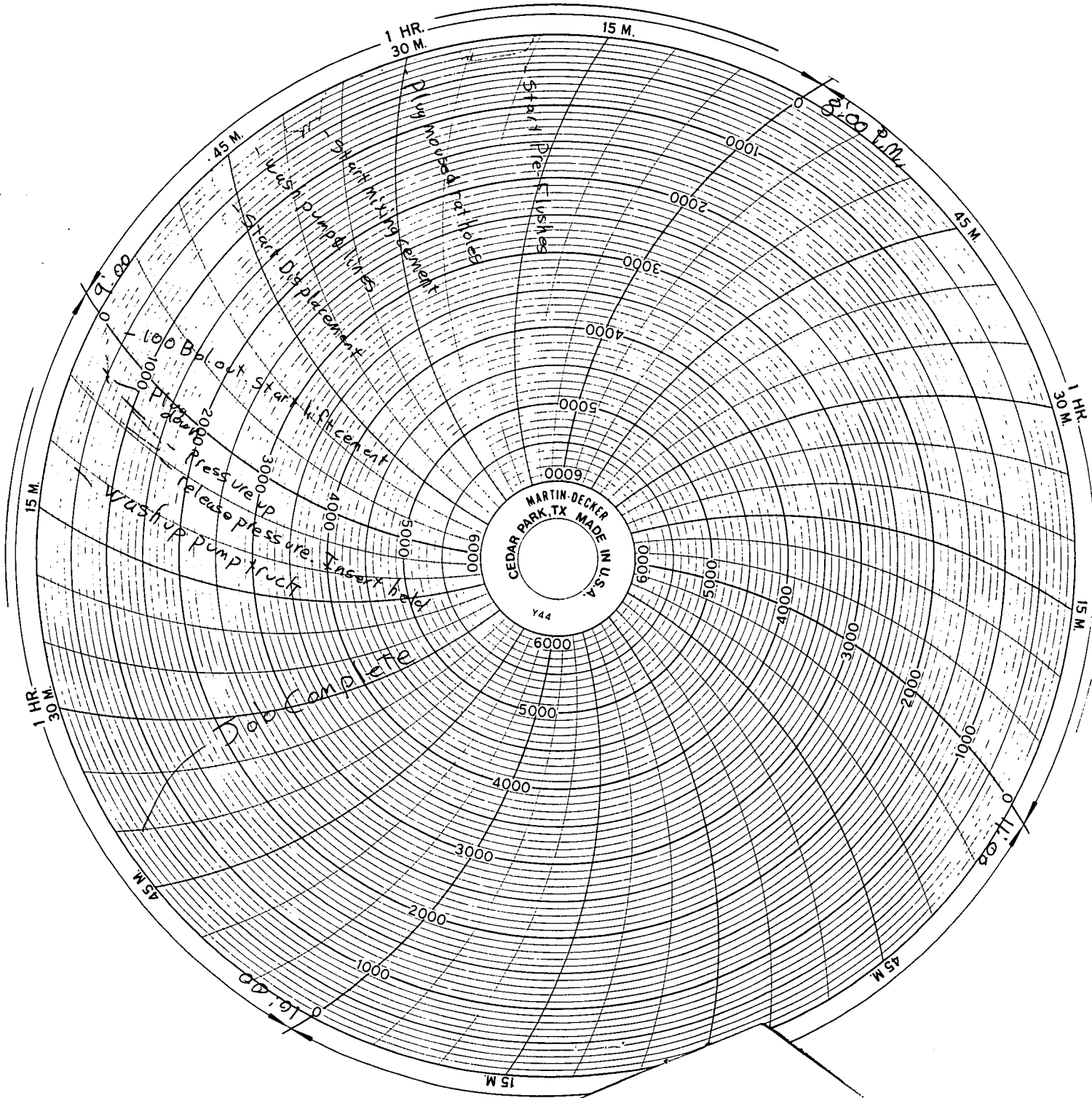
AFE Number	PO Number
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Materials Received by **X Rick Smith**

Product Code	QUANTITY	MATERIAL, EQUIPMENT and SERVICES USED	UNIT PRICE	AMOUNT	ACCOUNTING	
					CORRECTION	AMOUNT
D-205	100 sk.	AA-2	-			
D-203	25 sk.	60/40 Poz	-			
C-195	29 lb.	FLA-322	-			
C-221	519 lb.	Salt (Fine)	-			
C-243	24 lb.	De foamer	-			
C-244	29 lb.	Cement Friction Reducer	-			
C-312	71 lb.	Gas Blok	-			
C-321	499 lb.	Gilsonite	-			
C-302	750 gal.	Mud Flush	=			
F-101	4 ea.	Turbolizer, 5 1/2"	-			
F-143	1 ea.	Top Rubber Cement Plug, 5 1/2"	-			
F-191	1 ea.	Guide Shoe-Regular, 5 1/2"	-			
F-231	1 ea.	Flapper Type Insert Float Valve, 5 1/2"	-			
E-100	110 Mi.	Heavy Vehicle Mileage, 1-Way				
E-101	55 Mi.	Pickup Mileage, 1-Way				
E-104	325 tm.	Bulk Delivery				
E-107	125 sk.	Cement Service Charge				
R-210	1 ea.	Casing Cement Pumper, 4,501' - 5,000'				
R-701	1 ea.	Cement Head Rental				
		Discounted Price =		\$ 6,622.56		
		Plus taxes				

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SALES OFFICE:  
100 S. Main  
Suite #607  
Wichita KS 67202  
(316) 262-3699  
(316) 262-5799 FAX

SALES & SERVICE OFFICE:  
10244 NE Hiway 61  
P.O. Box 8613  
Pratt, KS 67124-8613  
(620) 672-1201  
(620) 672-5383 FAX

SALES & SERVICE OFFICE:  
1700 S. Country Estates Rd.  
P.O. Box 129  
Liberal, KS 67905-0129  
(620) 624-2277  
(620) 624-2280 FAX

### Invoice

Bill to: VAL ENERGY 200 W. Douglas, Suite 520 Wichita, KS 67202  <b>RECEIVED</b>  JAN 11 2006  CustomerRep R. Smith	8954140	<b>Invoice</b>	<b>Invoice Date</b>	<b>Order</b>	<b>Order Date</b>
		601016	1/9/06	11427	1/1/06
	<b>Service Description</b>				
	Cement				
		<b>Lease</b>	<b>Well</b>	<b>Well Type</b>	
		Brian	1	New Well	
		<b>AFE</b>	<b>Purchase Order</b>	<b>Terms</b>	
				Net 30	
		<b>Treater</b>			
		C. Messick			

ID.	Description	UOM	Quantity	Unit Price	Price
D205	AA2 (COMMON)	SK	100	\$15.37	\$1,537.00 (T)
D203	60/40 POZ (COMMON)	SK	25	\$9.82	\$245.50 (T)
C195	FLA-322	LB	29	\$7.50	\$217.50 (T)
C221	SALT (Fine)	GAL	519	\$0.25	\$129.75 (T)
C217	DEFOAMER	LB	24	\$3.45	\$82.80 (T)
C244	CEMENT FRICTION REDUCER	LB	29	\$6.00	\$174.00 (T)
C312	GAS BLOCK	LB	71	\$5.15	\$365.65 (T)
C321	GILSONITE	LB	499	\$0.60	\$299.40 (T)
C302	MUD FLUSH	GAL	750	\$0.86	\$645.00 (T)
F101	TURBOLIZER, 5 1/2"	EA	4	\$74.20	\$296.80 (T)
F143	TOP RUBBER CEMENT PLUG, 5 1/2"	EA	1	\$75.00	\$75.00 (T)
F191	GUIDE SHOE-REGULAR, 5 1/2"	EA	1	\$186.65	\$186.65 (T)
F231	FLAPPER TYPE INSERT FLOAT VALVES, 5 1/2"	EA	1	\$175.00	\$175.00 (T)
E100	HEAVY VEHICLE MILEAGE - 1 WAY	MI	110	\$4.00	\$440.00
E101	CAR, PICKUP OR VAN MILEAGE - 1 WAY	MI	55	\$2.50	\$137.50
E104	PROPPANT / BULK DELIV SERVICES/TON MILE, \$200 MIN	TM	325	\$1.60	\$520.00
E107	CEMENT SERVICE CHARGE	SK	125	\$1.50	\$187.50
R210	CASING CEMENT PUMPER, 4501-5000' 1ST 4 HRS ON LOC	EA	1	\$1,827.00	\$1,827.00
R701	CEMENT HEAD RENTAL	EA	1	\$250.00	\$250.00
S100	FUEL SURCHARGE		1	\$82.78	\$82.78

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Sub Total:	\$7,874.83
Discount:	\$1,169.49
Discount Sub Total:	\$6,705.34
Barber County & State Tax Rate: 6.30%	Taxes: \$237.65
(T) Taxable Item	Total: <b>\$6,942.99</b>

PLEASE REMIT TO Acid Services, LLC, Dept No 1131, Tulsa, OK 74182

Accounts become past due the last day of the month following billing. Interest rate 1.5% per month (18% per year) on past due accounts.