

KANSAS CORPORATION COMMISSION RIGINAL OIL & GAS CONSERVATION DIVISION

Form ACO-1 October 2008 Form Must Be Typed

WELL COMPLETION FORM WELL HISTORY - DESCRIPTION OF WELL & LEASE

OPERATOR: License # 9860	API No. 15 - 135-24877-00-00
Name: Castle Resources Inc.	Spot Description:
Address 1: PO Box 87	SWW _SE_NE_NW Sec. 26 Twp. 16 S. R. 21 East West
Address 2:	Feet from
City: Schoenchen State: KS Zip: 67667 +	2160 Feet from East / West Line of Section
Contact Person: Jerry Green	Footages Calculated from Nearest Outside Section Corner:
Phone: (785) 625-5155	□NE ☑NW □SE □SW
CONTRACTOR: License # 30606	County: Ness
Name: Murfin Drilling Company	Lease Name: Billie Well #: _1
Wellsite Geologist: Jerry Green	Field Name: Davenport Northwest
Purchaser: RECFIVED	Producing Formation:
Designate Type of Completion: KANSAS CORPORATION COMMISS	Flouring Formation: Kelly Bushing:
New Well Re-Entry Fworkover2 2009	Total Depth: 4225 Plug Back Total Depth:
Oil SWD SIOW	Amount of Surface Pipe Set and Cemented at: 211 Feet
CONSERVATION DIVISION	Multiple Stage Cementing Collar Used? ☐ Yes ☑ No
CM (Coal Bed Methane) Temp. Abd.	If yes, show depth set: Feet
✓ Dry Other(Core, WSW, Expl., Cathodic, etc.)	If Alternate II completion, cement circulated from:
(Core, wSw, Expl., Cathodic, etc.) If Workover/Re-entry: Old Well Info as follows:	feet depth to:w/sx cmt.
Operator: Well Name:	Drilling Fluid Management Plan (Data must be collected from the Reserve Pit) 3 - 9 - 0 9
Original Comp. Date: Original Total Depth:	Chloride content: 30,000 ppm Fluid volume: 500 bbls
Deepening Re-perf Conv. to Enhr Conv. to SWD	Dewatering method used: Allow to dry & backfill
Plug Back: — Plug Back Total Depth	
Commingled Docket No.:	Location of fluid disposal if hauled offsite:
Dual Completion	Operator Name:
Other (SWD or Enhr.?) Docket No.:	Lease Name: License No.:
1-21-09 1-27-09	Quarter Sec TwpS. R
Spud Date or Pate Reached TD Completion Date or Recompletion Date	County: Docket No.:
Kansas 67202, within 120 days of the spud date, recompletion, workover or of side two of this form will be held confidential for a period of 12 months if re	th the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information equested in writing and submitted with the form (see rule 82-3-107 for confidence) report shall be attached with this form. ALL CEMENTING TICKETS MUST form with all temporarily abandoned wells.
All requirements of the statutes, rules and regulations promulgated to regulate are complete and correct to the best of my knowledge.	the oil and gas industry have been fully complied with and the statements herein
Signature:	, / KCC Office Use ONLY
Title: President Date: 02/10/2009	<i> </i>
Subscribed and sworn to before me this day of	Letter of Confidentiality Received If Denied, Yes Date:
20 09	Wireline Log Received
Notary Public: Kalheenie Beny OXE.	Geologist Report Received
Date Commission Expires: 7-3-12	Notary Public UIC Distribution
	State Of Kansas

Side Two

Sec_ 26 Topp. 16 S. R. 21	Operator Name: Castle	Resources Inc.			_ Lease N	Name: _B	Billie		Well #: _1		
time tool open and closed, flowing and shut in pressures, whether shut in pressure reached static level, hydrostatic pressures, botton 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. Pressure Yes No			☐ East 🗸	West	County	Ness					
Allsch Additional Sheets	time tool open and close recovery, and flow rates	ed, flowing and shut if gas to surface tes	in pressures t, along with	, whether sh	nut-in press	sure reac	hed static level,	hydrostatic pi	essures, bottom h	ole temperatur	e, fluid
Samples Sent to Geological Survey			✓ Yes	□No		V Lo	og Formatio	n (Top), Depth	and Datum	☐ Sampl	e
Electric Log Run	·	ŕ	Yes	√ No		1	-		•		I
List All E. Logs Run: McA 2 logs al/ACDI: Cher B Sand	Electric Log Run						ner				
CASING RECORD New Used Report all strings set-conductor, surface, intermediate, production, etc. Purpose of String		uch 2 log	is all	1001:			B Sand				
CASING RECORD New Used Report all strings sel-conductor, surface, intermediate, production, etc. Purpose of String Size Hole Drillad Size Casing Size Hole Drillad Size Casing Size Hole Drillad Size Casing Size Casing Dapth Top Bottom Top Bottom Type of Cement #Sacks Used Type and Percent Additives ADDITIONAL CEMENTING / SQUEEZE RECORD Purpose: Dapth Top Bottom Type of Cement #Sacks Used Type and Percent Additives Perforate Protect Casing Plays Sat/Type Specify Footage of Each Interval Parforated Adams/Asagnes/Recine/Reci	E DILJE	NAR CON	UPSTI	r PoRo.	3174	1					
Report all strings set-conductor, surface, intermediate, production, etc. Purpose of String	1 ma			CASING	RECOPD	<u> </u>			—— - ···································		
Surface 12 1/4" 8 5/8" 28 211 COM 160 3% CC; 2% GEL	107		Report a			_	_	ion, etc.			
ADDITIONAL CEMENTING / SQUEEZE RECORD Purpose:	Purpose of String		Size C Set (In	asing O.D.)							
Purpose: Perforate Protect Casing Plug Back TD Plug Off Zone Shots Per Foot PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated N/A FEB 1 2 2009 CONSERVATIONDIVISION WICHILA, KS TUBING RECORD: Size: Set Al: Packer Al: Liner Run: Depth Set/Type Size: Set Al: Production, SWD or Enhr. Producing Method: Estimated Production Per 24 Hours DISPOSITION OF GAS: METHOD OF COMPLETION: Per Green Method Method Interval Perforated WEACH Type and Percent Additives PEC TIVED AMNIAGORISTICS Method Used on Lease Depth Per 1 2 2009 CONSERVATIONDIVISION WICHIA, KS TUBING RECORD: Size: Set Al: Packer Al: Liner Run: Yes No Date of First, Resumed Production, SWD or Enhr. Production SWD or Enhr. Production Other (Explain) Estimated Production Per 24 Hours DISPOSITION OF GAS: METHOD OF COMPLETION: PRODUCTION INTERVAL:	Surface	12 1/4"	8 5/8"		28		211	сом	160	3% CC; 2%	GEL
Purpose: Perforate Protect Casing Plug Back TD Plug Off Zone Shots Per Foot PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated N/A FEB 1 2 2009 CONSERVATIONDIVISION WICHILA, KS TUBING RECORD: Size: Set Al: Packer Al: Liner Run: Depth Set/Type Size: Set Al: Production, SWD or Enhr. Producing Method: Estimated Production Per 24 Hours DISPOSITION OF GAS: METHOD OF COMPLETION: Per Green Method Method Interval Perforated WEACH Type and Percent Additives PEC TIVED AMNIAGORISTICS Method Used on Lease Depth Per 1 2 2009 CONSERVATIONDIVISION WICHIA, KS TUBING RECORD: Size: Set Al: Packer Al: Liner Run: Yes No Date of First, Resumed Production, SWD or Enhr. Production SWD or Enhr. Production Other (Explain) Estimated Production Per 24 Hours DISPOSITION OF GAS: METHOD OF COMPLETION: PRODUCTION INTERVAL:											
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QUALITY OILWELL CEMENTING, INC.

Phone 785-483-2025 Cell 785-324-1041 Home Office P.O. Box 32 Russell, KS 67665

No. 1100

Sec.	₹ Twp.	Range	Calle	ed Out	On Location	Job Start	Finish		
Date 1-2109 25		21	,				9100pn		
Lease Billie Well No.	1	Location	McCro	ckew 12	KN b 4	Ness County	Vs State		
Contractor Murtin Dila Rig 24				Owner 1/2W St W into					
Type Job Surface			To Quality Oilwell Cementing, Inc. You are hereby requested to rent cementing equipment and furnish cementer and						
Hole Size 1244 T.D. 215				helper to assist owner or contractor to do work as listed.					
Csg. P Depth 2 / 5			Charge astle Resources						
Tbg. Size	Depth			Street					
Drill Pipe	Depth			City State					
Tool	Depth			The above was done to satisfaction and supervision of owner agent or contractor.					
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Signature Milhary 1111	11/-	<u>. </u>		_		Total Charg	·		

GENERAL TERMS AND CONDITIONS

DEFINITIONS: In these terms and conditions, "Quality" shall mean Quality Oilwell Cementing, Inc., and "Customer" shall refer to the party identified by that term on the front of this contract. As applicable, "Job" relates to the services described on the front side of this contract, "merchandise" refers to the material described on the front of this contract and to any other materials, products, or supplies used, sold, or furnished under the requirements of this contract.

TERMS: Unless satisfactory credit has been established, "CUSTOMER" must tender full cash payment to "QUALITY" before the job is undertaken or merchandise is delivered. If satisfactory credit has been established, the terms of payment for the job and/or merchandise, including bulk cement, are net cash, payable in 30 days from the completion of the job and/or delivery of the merchandise. For all past due invoices, "CUSTOMER" agrees to pay interest on amounts invoiced at a rate of 18 percent per annum until paid. Notwithstanding the foregoing in no event shall this Contract provide for interest exceeding the maximum rate of interest that "CUSTOMER" may agree to pay under applicable law. If any such interest should be provided for, it shall be and hereby is deemed to be a mistake, and this contract shall be automatically reformed to lower the rate of interest to the maximum legal contract rate, any amounts previously paid as excess interest shall be deducted from the amounts owing from the "CUSTOMER" or at the option of "QUALITY," refunded directly to "CUSTOMER." For purposes of this paragraph, QUALITY and CUSTOMER agree that KANSAS law shall apply. Any discounts granted with this contract are null and void if the charges are not paid when due.

-ATTORNEY FEES: In any legal action or proceeding between the parties to enforce any of the terms of this Service Contract, or in any way pertaining to the term of this Contract, the prevailing party shall be entitled to recover all expenses, including, but not

limit to, a reasonable sum as and attorney's fees.

-PRICES AND TAXES: All merchandise listed in "QUALITY'S" current price shall schedule are F.O.B. QUALITY'S local station and are subject to change without notice. All prices are exclusive of any federal, state, local, or special taxes for the sale or use of the merchandise or services listed. The amount of taxes required to be paid by QUALITY shall be added to the quoted prices charged to CUSTOMER.

-TOWING CHARGES: QUALITY will make a reasonable attempt to get to and from each job site using its own equipment. Should QUALITY be unable to do so because of poor or inadequate road conditions, and should it become necessary to employ a tractor or other pulling equipment to get to or from the job site, the tractor or pulling equipment will be supplied by CUSTOMER or,

if furnished by QUALITY, will be charged to and paid by CUSTOMER.

-PREPARATION CHARGES: If a job and/or merchandise is ordered and CUSTOMER cancels the order after preparation of a chemical solution or other material, CUSTOMER will pay QUALITY for the expenses incurred by QUALITY as a result of the cancellation.

-DEADHAUL, CHARGES: Unless otherwise specified on the front of this Contract, a deadhaul charges as set forth in QUALITY'S

current price book will be charged each way for each service unit which is ordered by CUSTOMER but not used.

- SERVICE CONDITIONS AND LIABILITIES: 1. QUALITY carries public liability and property damage insurance, but since there are so many uncertain and unknown conditions beyond QUALITY'S control, QUALITY shall not be liable for injuries to property or persons or for loss or damage arising from the performance of the job or delivery of the merchandise. Customer shall be responsible for and indemnify, defend, and hold harmless QUALITY, its officers, agents and employees, from and against any and all claims or suits for:
- (A) Damage to property or for bodily injury, sickness, disease, or death, brought by any person, including CUSTOMER and/or the well owner; and:
- (B) Oil spills, pollution, surface or sub-surface damage, injury to the well, reservoir loss, or damage arising from a well blowout arising out of or in connection with QUALITY'S performance of the job or furnishing of merchandise in accordance with this contract,

unless such loss or damage is caused by the willful misconduct or gross negligence of QUALITY or its employees.

2. With respect to any of QUALITY'S tools, equipment, or instruments which are lost in the well or damaged when performing or attempting to perform the job or, in the case of marine operations, are lost or damaged at any time after delivery to the landing for CUSTOMER and before return to QUALITY at the landing, CUSTOMER shall either recover the lost item without cost to QUALITY or reimburse QUALITY the current replacement cost of the item unless the loss or damage results from the sole negligence of QUALITY or its employees.

3. QUALITY does not assume any liability or responsibility for damages or conditions resulting from chemical action in cements caused by contamination of water or other fluids.

WARRANTIES: 1. QUALITY warrants all merchandise manufactured or furnished by it to be free from defects in material and workmanship under normal use and service when installed, and used, and/or serviced in the manner provided and intended. QUALITY'S obligation under this warranty is expressly limited to repair replacement, or allowance for credit, at its option, for any merchandise which is determined by QUALITY to be defective. THIS IS THE SOLE WARRANTY OF QUALITY AND NO OTHER WARRANTY IS APPLICABLE, EITHER EXPRESS OR OTHERWISE IMPLIED, IN FACT OR IN LAW, INCLUDING ANY WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE, CUSTOMERS'S sole and only remedy with regard to any defective merchandise shall be the repair or replacement thereof or allowance for credit as herein provided, and QUALITY shall not be liable for any consequential, special, incidental, or punitive damages resulting from or caused by defective materials, products or supplies.

2. More specifically:

(A) Nothing in this contract shall be constructed as a warranty by QUALITY of the success or the effectiveness of the result of any work done or merchandise used, sold, or furnished under this contract.

(B) Nothing in this contract shall be construed as a warranty of the accuracy or correctness of any facts, information, or data furnished by QUALITY or any interpretation of test, meter readings, chart information, analysis or research, or recommendations made by QUALITY, unless the inaccuracy or incorrectness is caused by the willful misconduct or gross negligence of QUALITY or its employees in the preparation or furnishing of such facts, information or data.

(C) Work done by QUALITY shall be under the direct supervision and control of the CUSTOMER or his agent and QUALITY

will accomplish the job as an independent contractor and not as an employee or agent of the CUSTOMER.

QUALITY OILWELL-CEMENTING, INC.

Phone 785-483-2025 Cell 785-324-1041 Home Office P.O. Box 32 Russell, KS 67665

No. 2068

OCII 700 024 1041	, Artista		* * * * * * * * * * * * * * * * * * * *		
Se	ec. Twp. Rang	e Called Out	On Location	Job Start	Finish
Date 1-28-09 2	6 16 2)	<u> </u>		11:45AM
Lease Billia	Well No.	Location McColic	Kon HN 2W	County / loss	State
Contractor Mustin D	rilling Kig-	Owner 2	<u>£5</u>	<u> </u>	
Type Job Day Holo P	he 3 1	To Quality You are he	Oilwell Cementing, Inc. ereby requested to rent	cementing equipment	and furnish
Hole Size 72	T.D.	cementer	and helper to assist ow	ner or contractor to do	work as listed.
Csg.	Depth	Charge (adla Kesaul	'(ω <u>ς</u>	
Tbg. Size	Depth	Street			
Drill Pipe 45	Depth	/ City		State	
Tool	Depth /	, The above	was done to satisfaction a	nd supervision of owner	agent or contractor.
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Meas Line	Displace		C	EMENT	
Perf.					
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JOB SERV	CES-& REMARKS	Gel.		KANSAS CORPC:	ATION COMMISSION
Pumptrk Charge		Chloride		FEB	2 2009
Mileage		Hulls		CONSERVE	TONDIVISION
Footage		Salt		Wic	TONDIVISION ITA, KS
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GENERAL TERMS AND CONDITIONS

DEFINITIONS: In these terms and conditions, "Quality" shall mean Quality Oilwell Cementing, Inc., and "Customer" shall refer to the party identified by that term on the front of this contract. As applicable, "Job" relates to the services described on the front side of this contract, "merchandise" refers to the material described on the front of this contract and to any other materials, products, or supplies used, sold, or furnished under the requirements of this contract.

- TERMS: Unless satisfactory credit has been established, "CUSTOMER" must tender full cash-payment to "QUALITY" before the job is undertaken or merchandise is delivered. If satisfactory credit has been established, the terms of payment for the job and/or merchandise, including bulk cement, are net cash, payable in 30 days from the completion of the job and/or delivery of the merchandise. For all past due invoices, "CUSTOMER" agrees to pay interest on amounts invoiced at a rate of 18 percent per annum until paid. Notwith-standing the foregoing in no event shall this Contract provide for interest exceeding the maximum rate of interest that "CUSTOMER" may agree to pay under applicable law. If any such interest should be provided for, it shall be and hereby is deemed to be a mistake, and this contract shall be automatically reformed to lower the rate of interest to the maximum legal contract rate, any amounts previously paid as excess interest shall be deducted from the amounts owing from the "CUSTOMER" or at the option of "QUALITY," refunded directly to "CUSTOMER." For purposes of this paragraph, QUALITY and CUSTOMER agree that KANSAS law shall apply. Any discounts granted with this contract are null and void if the charges are not paid when due.
- ATTORNEY FEES: In any legal action or proceeding between the parties to enforce any of the terms of this Service Contract, or in any way pertaining to the term of this Contract, the prevailing party shall be entitled to recover all expenses, including, but not limit to, a reasonable sum as and attorney's fees.
- PRICES AND TAXES: All merchandise listed in "QUALITY'S" current price shall schedule are F.O.B. QUALITY'S local station and are subject to change without notice. All prices are exclusive of any federal, state, local, or special taxes for the sale or use of the merchandise or services listed. The amount of taxes required to be paid by QUALITY shall be added to the quoted prices charged to CUSTOMER.
- TOWING CHARGES: QUALITY will make a reasonable attempt to get to and from each job site using its own equipment. Should QUALITY be unable to do so because of poor or inadequate road conditions, and should it become necessary to employ a tractor or other pulling equipment to get to or from the job site, the tractor or pulling equipment will be supplied by CUSTOMER or, if furnished by QUALITY, will be charged to and paid by CUSTOMER.
- PREPARATION CHARGES: If a job and/or merchandise is ordered and CUSTOMER cancels the order after preparation of a chemical solution or other material, CUSTOMER will pay QUALITY for the expenses incurred by QUALITY as a result of the cancellation.
- DEADHAUL, CHARGES: Unless otherwise specified on the front of this Contract, a deadhaul charges as set forth in QUALITY'S current price book will be charged each way for each service unit which is ordered by CUSTOMER but not used.
- SERVICE CONDITIONS AND LIABILITIES: 1. QUALITY carries public liability and property damage insurance, but since there are so many uncertain and unknown conditions beyond QUALITY'S control, QUALITY shall not be liable for injuries to property or persons or for loss or damage arising from the performance of the job or delivery of the merchandise. Customer shall be responsible for and indemnify, defend, and hold harmless QUALITY, its officers, agents and employees, from and against any and all claims or suits for:
- (A) Damage to property or for bodily injury, sickness, disease, or death, brought by any person, including CUSTOMER and/or the well owner; and:
- (B) Oil spills, pollution, surface or sub-surface damage, injury to the well, reservoir loss, or damage arising from a well blowout arising out of or in connection with QUALITY'S performance of the job or furnishing of merchandise in accordance with this contract, unless such loss or damage is caused by the willful misconduct or gross negligence of QUALITY or its employees.
- 2. With respect to any of QUALITY'S tools, equipment, or instruments which are lost in the well or damaged when performing or attempting to perform the job or, in the case of marine operations, are lost or damaged at any time after delivery to the landing for CUSTOMER and before return to QUALITY at the landing, CUSTOMER shall either recover the lost item without cost to QUALITY or reimburse QUALITY the current replacement cost of the item unless the loss or damage results from the sole negligence of QUALITY or its employees.
- 3. QUALITY does not assume any liability or responsibility for damages or conditions resulting from chemical action in cements caused by contamination of water or other fluids.
- WARRANTIES: 1. QUALITY warrants all merchandise manufactured or furnished by it to be free from defects in material and workmanship under normal use and service when installed, and used, and/or serviced in the manner provided and intended. QUALITY'S obligation under this warranty is expressly limited to repair replacement, or allowance for credit, at its option, for any merchandise which is determined by QUALITY to be defective. THIS IS THE SOLE WARRANTY OF QUALITY AND NO OTHER WARRANTY IS APPLICABLE, EITHER EXPRESS OR OTHERWISE IMPLIED, IN FACT OR IN LAW, INCLUDING ANY WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE, CUSTOMER'S sole and only remedy with regard to any defective merchandise shall, be the repair or replacement thereof or allowance for credit as herein provided, and QUALITY shall not be liable for any consequential, special, incidental, or punitive damages resulting from or caused by defective materials, products or supplies.
 - 2. More specifically:
- (A) Nothing in this contract shall be constructed as a warranty by QUALITY of the success or the effectiveness of the result of any work done or merchandise used, sold, or furnished under this contract.
- (B) Nothing in this contract shall be construed as a warranty of the accuracy or correctness of any facts, information, or data furnished by QUALITY or any interpretation of test, meter readings, chart information, analysis or research, or recommendations made by QUALITY, unless the inaccuracy or incorrectness is caused by the willful misconduct or gross negligence of QUALITY or its employees in the preparation or furnishing of such facts, information or data.
- (C) Work done by QUALITY shall be under the direct supervision and control of the CUSTOMER or his agent and QUALITY will accomplish the job as an independent contractor and not as an employee or agent of the CUSTOMER.