

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

*KCC Meeting 7/14/08*

Operator: License # 33677  
Name: Canary Operating Corporation  
Address: 7230 W. 162nd Street, Suite A 50' N of:  
City/State/Zip: Stilwell, KS 66085  
Purchaser: Canary Pipeline, Inc.  
Operator Contact Person: Steve Allee  
Phone: ( 913 ) 239-8960  
Contractor: Name: Canary Drilling, Inc.  
License: 33799  
Wellsite Geologist: Rex R. Ashlock

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>2/23/08</u>	<u>6/29/08</u>	<u>6/30/08</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 121-28523-008D  
County: Miami  
SE NW SE Sec. 13 Twp. 16 S. R. 261  East  West  
1700 / 1746 feet from S N (circle one) Line of Section  
1650 / 1616 feet from E W (circle one) Line of Section  
Footages Calculated from Nearest Outside Section Corner:  
(circle one) NE SE NW SW  
Lease Name: Ray Well #: 46-13-16-24  
Field Name: Forrest City Coal Gas Area (KCC)  
Producing Formation: Lexington, Summit, & Mulky  
Elevation: Ground: 1048 Kelly Bushing: \_\_\_\_\_  
Total Depth: 899 Plug Back Total Depth: \_\_\_\_\_  
Amount of Surface Pipe Set and Cemented at 20 Feet  
Multiple Stage Cementing Collar Used?  Yes  No  
If yes, show depth set \_\_\_\_\_ Feet  
If Alternate II completion, cement circulated from 497.34  
feet depth to surface w/ 142 / 116 sx cmt.  
*Alt 2 - Dlg - 7/15/08*

*Plgs. per telecon. w/ oper. 7/14/08 KCC*

Drilling Fluid Management Plan  
(Data must be collected from the Reserve Pit)  
Chloride content NA ppm Fluid volume 95+/- 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] For Canary Operating Corporation  
Title:  Sr. VP of Operations  Date:  7/3/08   
Subscribed and sworn to before me this  3rd  day of  July   
 20 08   
Notary Public: [Signature]  
Date Commission Expires:  1/10/2009

**KCC Office Use ONLY**

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

**REX R. ASHLOCK**  
Notary Public - State of Kansas  
My Appt. Exp.  1/10/09

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Operator Name: **Canary Operating Corporation** Lease Name: **Ray** Well #: **46-13-16-24**  
 Sec. **13** Twp. **16** S. R. **24**  East  West County: **Miami**

**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)  
 List All E. Logs Run: **Gamma Ray-Neutron w/ CCL**  
**Driller's Log Attached**

Log Formation (Top), Depth and Datum  Sample  
 Name Top Datum  
**Base KS City 271 (777)**  
**Lexington Coal Zone (Base Myrick Station Ls) 501 (547)**  
**Top of Mulky Coal/Shale Zone (562 (486))**  
**Verdigris/Ardmore Ls 645 (403)**  
**Bartlesville Sand 753 (295)**  
**Mississippian Cgl (Chat) 896 (152)**

*KCW  
 JMN  
 7/14/08*

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	13 1/2"	10 3/4"	NA	20'	Reg.	10	None
Production	9 1/2"	7"	17.0	497.34'	Portland	112	2% CaCl <sub>2</sub>
4	6 1/4"	4 1/2"	10.5	487.07-899	Liner	None	2% Gel

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
Perforate				
Protect Casing				
Plug Back TD				
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
None	Open hole completed from 497.34 to 899	None	
		411.93' of 4 1/2" steel perf'd liner, not cmt'd	

TUBING RECORD		Size	Set At	Packer At	Liner Run
		1"	to be set at 650' +/-	None	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr.		Producing Method			
W.O. Gas, Electric, & Wtr Lines		<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
	None	NA	NA	None	

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

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

To be sold

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## DRILLER'S LOG

### WELL: RAY #46-13-16-24

1650 FSL, 1700 FEL  
SECTION 13-T16S-R24E  
MIAMI CO. KS  
API #15-121-28523  
ELV: 1048  
CO.: CANARY OPERATING CORP.

CONTR: CANARY DRILLING, INC.  
SPUD: 2/23/2008  
SURFACE: 10 3/4" SET AT 20', 10 SX  
PROD. CSG: 7" SET AT 497.34' (2/27/08)  
TOTAL DEPTH: 899 (6/29/08)

SOIL / CLAY	5	LS	518
LS	45	SH	528
SH	88	LS	538
LS	102	SH	542
SH & SNDY SH	127	BLK SH	546
LS	131	LS & SH	562
BLK SH	133	BLK SH & COAL	568
SH & SNDY SH	170	SH SNDY	608
LS	183	SHLY SAND	620
SH	196	SAND WH	634
LS	224	SH W/ COAL	644
BLK SH	228	LS	647
LS	254	BLK SH & COAL	655
GRAY & BLK SH	258	RED BED	676
LS	270 (B. KS CITY)	BLK SH	679
BLK SH	272	SH SNDY	694
SH SNDY	282	SH BLK	700
SH	306	SH V SNDY	710
SH V SNDY	310	SH	722
SH	334	BLK SH & COAL	730
SH SNDY	378	SH DARK	754
SAND SHLY	388	SH V SNDY	766
SH	420	BLK SH	770
BLK SH	423	SH	810
SH SNDY LITTLE COAL	454	SH BLK	816
LS	460	SAND WH	826
BLK SH	462	BLK SH	830
LS	467	SH V SNDY	838
BLK & GRN SH	473	SH SOME COAL	852
LS	482 (ODOR)	SH DK	895 (MISS)
SH SNDY	490	CHAT & SH	899
SH	498	TOTAL DEPTH	899
LS BROWN HD	502		
BLK SH & COAL	505		
SH SNDY	513		

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WICHITA, KS

CONSOLIDATED OIL WELL SERVICES, INC.  
 P.O. BOX 884, CHANUTE, KS 66720  
 620-431-9210 OR 800-467-8676

TICKET NUMBER 15971  
 LOCATION Ottawa KS  
 FOREMAN Fred Mader

TREATMENT REPORT & FIELD TICKET  
 CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
2/29/08	2642	Ray # 46	13	16	24	M1
CUSTOMER Canary Operating Corp			TRUCK #			
MAILING ADDRESS 7230 W 162nd Ste A			506	Fred		
CITY Stilwell		STATE KS	495	Casey		
		ZIP CODE 66085	503	Brian		
			369	Gary		

JOB TYPE Long string HOLE SIZE 9 1/2 HOLE DEPTH 499' CASING SIZE & WEIGHT 7"  
 CASING DEPTH 497' DRILL PIPE \_\_\_\_\_ TUBING \_\_\_\_\_ OTHER \_\_\_\_\_  
 SLURRY WEIGHT \_\_\_\_\_ SLURRY VOL \_\_\_\_\_ WATER gal/sk \_\_\_\_\_ CEMENT LEFT in CASING 20 1/2  
 DISPLACEMENT 20 BBL DISPLACEMENT PSI \_\_\_\_\_ MIX PSI \_\_\_\_\_ RATE 5 BPM

REMARKS: Establish circulation Mix Pump 200# Premium Gel  
 Flush. Mix + Pump 13 BBL Tell tale dye. Mix +  
 Pump 116 SKS Class A Portland Cement w/ 2%  
 Gel + 2% Calcium Chloride. Displace 7" casing clean  
 w/ 20 BBL Fresh water. Shut in casing &

Customer supplied some water. Fred Mader  
 Company Tools

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
5401	1	PUMP CHARGE Cement Pump	495	875.00
5406	40 mi	MILEAGE Pump Truck	495	138.00
5407	Minimum	Ton Mileage	503	300.00
5502C	2 1/2 hrs	80 BBL Vac truck	369	2,350.00
1104S	112 SKS	Class A Portland Cement		1444.80
7118B	418#	Premium Gel		668.80
1102	218#	Calcium Chloride.		152.60
		Sub Total		3212.28
		Thank You Tax @ 6.55%		109.01

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SALES TAX ESTIMATE 3321.29