

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

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: ANDERSON DRILLING
License: 33237
Wellsite Geologist: RON NELSON
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. _____
10/14/06 10/20/06 10/21/06
Spud Date or Date Reached TD Completion Date or Recompletion Date

API No. 15 - 065-23230-00-00
County: GRAHAM
APNW NE SW SE Sec. 32 Twp. 9 S. R. 23 East West
1300 feet from S / N (circle one) Line of Section
1740 feet from E / W (circle one) Line of Section
Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: MITCHELL-DAVIGNON UNIT Well #: 1-32
Field Name: MOREL
Producing Formation: LKC
Elevation: Ground: 2439' Kelly Bushing: 2444'
Total Depth: 4054' Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at 217' Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set 2042' Feet
If Alternate II completion, cement circulated from 2042'
feet depth to SURFACE w/ 225 sx cmt.

Drilling Fluid Management Plan A111 NH 6-23-08
(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: 01/17/07
Subscribed and sworn to before me this 17 day of January,
2007.
Notary Public: [Signature]
Date Commission Expires: 7/28/09

KCC Office Use ONLY
N Letter of Confidentiality Received
If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received
UIC Distribution
RECEIVED
KANSAS CORPORATION COMMISSION
FEB 22 2007

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

CONSERVATION DIVISION
WICHITA, KS

Operator Name: DOWNING-NELSON OIL COMPANY, INC Lease Name: MITCHELL-DAVIGNON UNIT Well #: 1-32
 Sec. 32 Twp. 9 S. R. 23 East West County: GRAHAM

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 <i>(Attach Additional Sheets)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample
Samples Sent to Geological Survey	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Name	Top	Datum
Cores Taken	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	TOP ANHYDRITE	2046	+398
Electric Log Run <i>(Submit Copy)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	BASE ANHYDRITE	2080	+364
List All E. Logs Run:		TOPEKA	3512	-1068
		HEEBNER	3729	-1285
		TORONTO	3752	-1308
		LKC	3766	-1322
		BKC	4000	-1556

Dual Induction, Compensated Density/Neutron, Micro & Sonic

CASING RECORD New 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#	217'	COMMON	150	3% CC & 2% Gel
Production St.	7 7/8	5 1/2	14	4049'	EA/2	150	MIDCON II
			DV Tool @	2042'			

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
4	3921' to 3927'	1000 Gal. 15% Mud Acid & 1500 Gal. 15% Ne Acid	3921'-3927'

TUBING RECORD	Size <u>2 3/8</u>	Set At <u>3982.23</u>	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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Date of First, Resumerd Production, SWD or Enhr. <u>01/01/07</u>	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. <u>50</u>	Gas Mcf <u>0</u>	Water Bbls. <u>10</u>	Gas-Oil Ratio	Gravity
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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 _____



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



Invoice

DATE	INVOICE #
10/21/2006	10748

- Acidizing
- Cement
- Tool Rental

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

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#1-32	Mitchell-Dav...	Graham	A&A Drilling Rig ...	Oil	Development	Two Stage Long...	Dave
PRICE REF.	DESCRIPTION				QTY	UM	UNIT PRICE	AMOUNT
575D	Mileage - 1 Way				50	Miles	4.00	200.00
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				10	Each	80.00	800.00T
403-5	5 1/2" Cement Basket				2	Each	280.00	560.00T
407-5	5 1/2" Insert Float Shoe With Auto Fill				1	Each	310.00	310.00T
408-5	5 1/2" D.V. Tool & Plug Set				1	Each	3,000.00	3,000.00T
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
330	Swift Multi-Density Standard (MIDCON II)				AD 225	Sacks	13.50	3,037.50T
325	Standard Cement				7/1 150	Sacks	11.00	1,650.00T
276	Flocele				94	Lb(s)	1.25	117.50T
283	Salt				750	Lb(s)	0.20	150.00T
284	Calseal				7	Sack(s)	30.00	210.00T
285	CFR-1				70	Lb(s)	4.00	280.00T
581D	Service Charge Cement				375	Sacks	1.10	412.50
583D	Drayage				953.1	Ton Miles	1.00	953.10
	Subtotal							14,455.60
	Sales Tax Graham County						5.55%	618.27
We Appreciate Your Business!						Total		\$15,073.87

RECEIVED
 KANSAS CORPORATION COMMISSION

FEB 22 2007

CONSERVATION DIVISION
 WICHITA, KS

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

Russell, KS 67665

* I N V O I C E *

Invoice Number: 104985

Invoice Date: 10/20/06

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

Cust I.D.....: Down
P.O. Number...: Mitchell #1
P.O. Date.....: 10/20/06

Due Date.: 11/19/06
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
Mielage	70.00	MILE	14.2200	995.40	E
158 sks @>09 per sk per mi					
Surface	1.00	JOB	815.0000	815.00	E
Mileage pmp trk	70.00	MILE	6.0000	420.00	E

All Prices Are Net, Payable 30 Days Following
Date of Invoice. 1 1/2% Charged Thereafter.
If Account CURRENT take Discount of 441.10
ONLY if paid within 30 days from Invoice Date

Subtotal: 4411.05
Tax.....: 104.36
Payments: 0.00
Total....: 4515.41

- 441.10

~~4074.31~~

4074.31

RECEIVED
KANSAS CORPORATION COMMISSION
FEB 22 2007
CONSERVATION DIVISION
WICHITA, KS