

**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE**

ORIGINAL

Form ACO-1
September 1999
Form Must Be Typed

*See
my
8/22/08*

Operator: License # 6627
Name: Prospect Oil & Gas, Inc.
Address: P.O. Box 837
City/State/Zip: Russell, Kansas 67665
Purchaser: NCRA
Operator Contact Person: Brad Hutchison
Phone: (785) 483-6266
Contractor: Name: Shields Oil Producers, Inc.
License: 5184
Wellsite Geologist: Brad Hutchison

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. _____

12-01-07	12-07-07	1-21-08
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 167-23473-00-00
County: Russell
App. W/2 SE NW Sec. 21 Twp. 14 S. R. 15 East West
1896 1810 feet from S / N (circle one) Line of Section
1640 feet from E / W (circle one) Line of Section
Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Schmitt Well #: 1
Field Name: Wildcat
Producing Formation: LKC
Elevation: Ground: 1803' Kelly Bushing: 1808'
Total Depth: 3350' Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at 220' Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set _____ Feet
If Alternate II completion, cement circulated from 902'
feet depth to surface _____ w/ 200 _____ sx cmt.

Drilling Fluid Management Plan Ait II NCR 8-27-08
(Data must be collected from the Reserve Pit)
Chloride content 37000 ppm Fluid volume 800 bbls
Dewatering method used hauled fluid off
Location of fluid disposal if hauled offsite:
Operator Name: Prospect Oil & Gas, Inc.
Lease Name: Sellens License No.: 6627
Quarter Sw Sec. 15 Twp. 15 S. R. 13 East West
County: Russell Docket No.: D-4189

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: *Brad Hutchison*
Title: MEMBER Date: 8-12-08
Subscribed and sworn to before me this 12 day of August
20 08.
Notary Public: *Lori R. Haberer*
Date Commission Expires: 10-13-2010

KCC Office Use ONLY

Letter of Confidentiality Received
If Denied, Yes Date: _____

Wireline Log Received

Geologist Report Received

UIC Distribution

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KANSAS CORPORATION COMMISSION
AUG 22 2008
CONSERVATION DIVISION
WICHITA, KS

Operator Name: Prospect Oil & Gas, Inc. Lease Name: Schmitt Well #: 1
 Sec. 21 Twp. 14 S. R. 15 East West County: Russell

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 checked="" 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: Radiation-Guard Micro	<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>Anyhrite</td> <td>864</td> <td>+944</td> </tr> <tr> <td>Topeka</td> <td>2753</td> <td>-945</td> </tr> <tr> <td>Heebner</td> <td>2978</td> <td>-1170</td> </tr> <tr> <td>Toronto</td> <td>2998</td> <td>-1190</td> </tr> <tr> <td>Lansing</td> <td>3028</td> <td>-1220</td> </tr> <tr> <td>Base Kansas City</td> <td>3264</td> <td>-1456</td> </tr> <tr> <td>Arbuckle</td> <td>3296</td> <td>-1487</td> </tr> </table>	Name	Top	Datum	Anyhrite	864	+944	Topeka	2753	-945	Heebner	2978	-1170	Toronto	2998	-1190	Lansing	3028	-1220	Base Kansas City	3264	-1456	Arbuckle	3296	-1487
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CASING RECORD <input 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#	220'	Common	150	3% cc. 2% gel.
Production	7 7/8	4 1/2	14#	3343	Common	150	10% salt

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
<input type="checkbox"/> Perforate <input checked="" type="checkbox"/> Protect Casing <input type="checkbox"/> Plug Back TD <input type="checkbox"/> Plug Off Zone	902	Common	200	60/40 Poz. 6% Gel 1/4lb. Flo Seal

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
1	3219	1250 Gal. 15% NE Acid	
1	3174	1250 Gal. 15% NE Acid	

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 CONSERVATION DIVISION
 WICHITA, KS

TUBING RECORD	Size 2 3/8"	Set At 3344	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Date of First, Resumerd Production, SWD or Enhr. 2-10-08		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 Bbbs. 25	Gas Mcf	Water Bbbs. 5	Gas-Oil Ratio	Gravity 38

Disposition of Gas METHOD OF COMPLETION Production Interval

Vented Sold Used on Lease
 Open Hole Perf. Dually Comp. Commingled
(If vented, Submit ACO-18.)
 Other (Specify) _____

QUALITY OILWELL CEMENTING, INC.

Phone 785-483-2025
Cell 785-324-1041

Home Office P.O. Box 32 Russell, KS 67665

No. 1698

Date	12-1-07	Sec.	21	Twp.	14S	Range	15W	Called Out	On Location	Job Start	Finish
Lease	Schmidt	Well No.	1		Location	Corham E 4 1/2 S			Russell County	KS State	
Contractor	Shields				Owner	EINTO					
Type Job	Surface				To Quality Oilwell Cementing, Inc. You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as listed.						
Hole Size	12 1/4		T.D.	223							
Csg.	5 7/8 20#		Depth	223							
Tbg. Size			Depth								
Drill Pipe			Depth								
Tool			Depth								
Cement Left in Csg.	15'		Shoe Joint								
Press Max.			Minimum								
Meas Line			Displace	13 1/2 BCL							
Perf.				CEMENT							

EQUIPMENT				Amount Ordered
Pumptrk	5	No.	Cementer (Gra) Helper (Dave E)	1100 Com 3% OIL 2% GEL
Bulktrk		No.	Driver (Brian)	Consisting of
Bulktrk		No.	Driver	Common
Bulktrk		No.	Driver	Poz. Mix

JOB SERVICES & REMARKS			Gel.
Pumptrk Charge			Chloride
Mileage			Hulls
Footage			Salt
Total			Flowseal

Remarks: Cement (reworked)

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KANSAS CORPORATION CO.
AUG 22 2003

Handling	
Mileage	
Floating Equipment & Plugs	1 8 3/8 wooden Plug
Squeeze Manifold	
Rotating Head	

Quality Oilwell Cementing

Cementing

<p style="font-size: 1.5em;">Thanks!</p>	Tax Discount Total Charge
Signature: <i>[Signature]</i>	

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, 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.

QUALITY OILWELL CEMENTING, INC.

Phone 785-483-2025
Cell 785-324-1041

Home Office P.O. Box 32 Russell, KS 67665

No. 1728

Date	12-7-07	Sec.	21	Twp.	14	Range	16	Called Out		On Location		Job Start	7:30am	Finish	8:00pm
Lease	Schmidt	Well No.	1	Location	Carham 1E S 1/2 S			County	Russell	State	KS				
Contractor	Shields			Owner	Finto										
Type Job	Production String			To Quality Oilwell Cementing, Inc. You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as listed.											
Hole Size				T.D.	3345										
Csg.	4 1/2 9.5"			Depth	3343										
Tbg. Size				Depth											
Drill Pipe				Depth											
Tool	Port Collar			Depth	902'										
Cement Left in Csg.	17'			Shoe Joint	17'										
Press Max.				Minimum											
Meas Line				Displace	53.8 BL										
Perf.				<p style="text-align: center;">CEMENT</p> <p>500 gal MWD Apr 48</p> <p>150 Com 10% Salt 5% Gilsomite</p>											

EQUIPMENT			
Pumptrk	5	No. Cementer Helper	Craig DAREN
Bulktrk	2	No. Driver	DAN
Bulktrk		No. Driver	
Bulktrk		No. Driver	

Amount Ordered	500 gal MWD Apr 48
Consisting of	150 Com 10% Salt 5% Gilsomite
Common	
Poz. Mix	
Gel.	
Chloride	
Hulls	
Salt	
Flowseal	

JOB SERVICES & REMARKS	
Pumptrk Charge	
Mileage	
Footage	
Total	

Remarks:
 Rathole 15SK
 Mouse hole 10SK
 Float held Released - 1 SK

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AUG 22 2008
WICHITA, KS

Quality Oilwell
Cementing

Thanks!

Sub Total	
Total	
Floating Equipment & Plugs	1 4 1/2 Guide Shoe
Squeeze Manifold	1 AFU Inert
Rotating Head	1 Basket
	1 Sol. Plug
	1 Port Collar
	5 Turbolizers
	2 Centralizers
Tax	
Discount	
Total Charge	

X Signature Burton Beery

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