

CONFIDENTIAL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

2-23-08

Form ACO-1
September 1999
Form Must Be Typed

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

Operator: License # 30931
Name: Daystar Petroleum, Inc.
Address: PO Box 360
City/State/Zip: Valley Center, KS 67147
Purchaser: PRG
Operator Contact Person: Charles Schmidt
Phone: (316) 755-3523
Contractor: Name: Murfin Drilling Co., Inc.
License: 30306
Wellsite Geologist: Brad Rine

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Designate Type of Completion:
 New Well Re-Entry Workover
 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. _____
11/25/06 12/13/06 1/27/07
Spud Date or 11/25/06 12/13/06 1/27/07
Recompletion Date Date Reached TD Completion Date or
Recompletion Date

API No. 15 - 175-22072-00-00
County: Seward
E/2 E/2 NE Sec. 23 Twp. 31 S. R. 31 East West
1220 feet from S N (circle one) Line of Section
430 feet from E W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Barnhardt A Well #: 3
Field Name: Thirty One SW
Producing Formation: Morrow
Elevation: Ground: 2791 Kelly Bushing: 2802
Total Depth: 5900 Plug Back Total Depth: 5823
Amount of Surface Pipe Set and Cemented at 1746' Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set _____ Feet
If Alternate II completion, cement circulated from _____
feet depth to _____ w/ _____ sx cmt.

Drilling Fluid Management Plan AKI NH 10-7-08
(Data must be collected from the Reserve Pit)
Chloride content _____ ppm Fluid volume _____ bbls
Dewatering method used _____
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: Charles Schmidt
Title: President Date: 02/23/07
Subscribed and sworn to before me this 23 day of February,
2007
Notary Public: Marsha Breitenstein

Date Commission Expires: 9-15-07
Notary Public - State of Kansas
MARSHA BREITENSTEIN
My Appointment Expires 9-15-07

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

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Operator Name: Daystar Petroleum, Inc. Lease Name: Barnhardt A Well #: 3
 Sec. 23 Twp. 31 S. R. 31 East West County: Seward

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 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: Dual Induction Neutron Density Microlog	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input checked="" type="checkbox"/> Sample Name Top Datum Attached Drilling Report <div style="text-align: center;"> KCC FEB 23 2007 CONFIDENTIAL </div>
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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"	24#	1746'	Common/ Poz	100/ 600	3%CC/ 3% CC
Production	7 3/8"	5 1/2"	15.5#	5903	ASC	200	5# Kol Seal

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
	CIBP @ 5823'		
2	5467-76', 5492-96'	1500 gallons 15% MCA w/ FE	5496

TUBING RECORD		Size 2 3/8"	Set At 5465'	Packer At N/A	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr. 1/27/07		Producing Method <input checked="" type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)			
Estimated Production Per 24 Hours	Oil Bbbs.	Gas Mcf	Water Bbbs.	Gas-Oil Ratio	Gravity
		1000	0		

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) _____

5467-96 **RECEIVED**
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Daystar Petroleum, Inc.

1321 West 93rd North • Valley Center, Kansas • 67147 • PH (316) 755-3492 • FAX (316)-755-3543

BARNHARDT A#3
NE Sec. 23, T31S-R31W
Seward County, Kansas

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Drilling Report

Drilling Contractor: Murfin Drilling
Company, Inc.

API No.: 15-175-22058-0000

GL.: 2791

KB: 2802

Tool Pusher: Jeremy Stucky
785-443-2383
785-443-0494

Comp A: Barnhardt A#1

Rig #2: 785-443-2394

Comp. B: Unruh B#2-24

Geologist: Brad Rine
316-772-6829 (cell)

Formation	Drilling Tops		Comparison Wells		E Log Tops		
	Depth	SubSea	A	B	Depth	Subsea	A
Heebner	4246	-1444	-8	+1	4250	-1448	-12
Toronto	4265	-1463	-9	--	4266	1464	-12
Lansing-KC	4353	-1551	-9	--	4356	-1554	-12
Iola	4615	-1813	-8	--	4623	-1821	-16
Stark Sh	4787	-1981	-4	+2	4796	-1994	-5
Swope	4798	-1996	-2	+1	4802	-2000	-6
Hushpuckney	4849	-2047	-9	-2	4853	-2051	-13
Marmaton	4952	-2150	+1	+3	4960	-2158	-7
Pawnee	5076	-2274	-	-3	5081	/2279	-5
Ft. Scott	5115	-2313	+1	-1	5123	-2321	-7
Cherokee Sh	5130	-2328	+1	-	5138	-2336	-7
Atoka	5378	-2576	-6	-6	5382	-2580	-10
Morrow Sh	5425	-2623	-6	-5	5434	-2632	-15
St. Gen	5633	-2831	+28	+30	5642	-2840	-19
St. Louis	5741	-2939	+8	+15	5735	-2933	+14
RTD	5900				5905	-3103	

11/25/06: Start move in of Murfin Rig #2 on 11/24/06.

11/26/06: Drilling @ 430'. Finish move in. Spud well @ 8:30 PM, 11/25/06.

11/27/06: Drilling @ 1665'. Drilling to 1740' ± to set surface casing.

11/28/06: Drill surface hole to 1745'. Pull out w/ bit; worked through tight spot @ 730' ±.
Run in w/ 8 5/8" csg to 1746'. Circulate 1 hr. RU Allied. Pump 600 sx lit 3%
cc plus 150 sx common w/ 3% cc. Plug down @ 5:30 AM. Release Allied.

11/29/06: Drilling @ 2725'.

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- 11/30/06:** TD @ 2891'. Fishing 7 lost drill collars. Murfin operations: drilling @ 2891' & made connection & last weight 1:00 PM 11/29/06. TOOH & left 7 D.C. in hole – cracked box. Wait on overshot & GIH & wash over fish w/ 6" grapple @ 11:00 PM, 11/29/06. Circulate & wait on oil Spot 60 bbl oil from Dillco @ 2:00 AM 11/20/06. Left 26 bbl in pipe. Move 1 bbl every 30 minutes. Have strain of 105,000# on pipe. Going to start working pipe this morning.
- 12/01/06:** Work pipe & wait on wireline truck. Move 1 bbl ea ½ hr while waiting on wireline. RU Peak Wireline & RIH w/ spud bars. Couldn't get past 2691'. Put Kelly on & circ. Run collar locator. Top of fish 2650'. Run free point & have 90% torque @ 2686'. Top of 2nd collar @ 2678'. Can back off @ 2678'. Waiting to hear from Weatherford to see if fisherman available to run wash pipe.
- 12/02/06:** TD @ 2891'. Back off @ 2678' @ 11:30 AM, 12/1/06 & TOOH. Left 6 D.C. in hole GIH w/ 7 7/8" bit & con. Hole @ 3:00 AM, 12/1/06 & wait on fisherman. Start out of hole @ 7:30 AM, 12/2/06. Fisherman should be on location around 9:30 AM-10:00 AM.
- 12/03/06:** TD @ 2891'. Start picking up wash pipe @ noon, 12/2/06. TIH w/ wash pipe @ 3:30 PM, 12/2/06. Washover from 3:30 PM – 10:00 PM. Last 60' washed over fairly hard. Circ. 1 hr., TOOH & lay down tools. GIH w/ screw-in sub, bumper-sub, jars @ 5:45 AM, 12/3/06. TOOH w/ fish this morning, 12/3/06.
- 12/04/06:** Drilling @ 3080'. Lay down fished collars for visual inspection. RIH w/ collars (inspecting as running). Changed out drilling line. Back to bottom ready to start drilling @ 10:00 PM, 12/3/06.
- 12/05/06:** Drilling @ 3885'.
- 12/06/06:** Drilling @ 4665'. Brad Rine, wellsite geologist, on location @ 4200'.
- 12/07/06:** Circulating for samples @ 4980' (Marmaton).
- 12/08/06:** TD @ 5005'. TIH after DST#1; **Note:** Bit was worn out when pulled.

DST #1; Marmaton 4926-5005'.

40-60-60-120			
1 ST Open		BOB 2 ½ min.	
2 nd Open		GTS – 20 min., 10 MCFD stable	
Rec:		182' gocm (10g, 10o, 80m) 189' gocm (10g, 30o, 60m)	
IFP	30-82	FFP	93-159
ISIP	1530	FSIP	1530
IHP	2392	FHP	2330
BHT	115		

12/09/06: TD @ 5114. TOH w/ DST #2; Pawnee; 5068 – 5114. Preliminary results: 1.6 MMCFD stabilized.

12/10/06: Drilling ahead @ 5365'.

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12/10/06: (Cont) DST #2; Pawnee; 5068 – 5114

30 – 60 – 60 – 120			
1 st Open		BOB inst. GTS – 4 min, strong blow, 1851 MCFD	
2 nd Open		BOB – strong steady blow, 1851 MCFD stable	
Rec:		60' wm (20w, 80 m) 59' mw (60w, 40 m) 59 sw	
IFP:	420 – 402	FFP:	388 – 370
ISIP:	1492	FSIP:	1424
IHP:	2440	FHP:	2366
BHT:	112		

12/11/06: TD @ 5490'. Running DST #3, Morrow, 5373 – 5490'.

1st open: BOB 10 sec.
 2nd open: Stabilized flow approx 2 MMCFD.

Currently preparing to POH w/ DST tools.

12/12/06: Drilling ahead @ 5710'.

DST #3; Morrow; 5373 – 5490

2 – 60 – 60 – 120			
1 st Open		BOB 10 sec. GTS – 2 min. Strong blow	
2 nd Open		GTS, BOB ASAO. 2.081 MMCFD stable thru-out	
Rec:		240' gm, (5g, 95m)	
IFP:		FFP:	506 – 443
ISIP:	1726	FSIP:	1741
IHP:	2605	FHP:	2503
BHT:	121		

12/13/06: RTD @ 5900'. Running open hole logs. LTD @ 5905'.

12/14/06: RTD – 5900', LTD – 5905'. Ran open hole logs. Lay down drill pipe. Ran 140 jts 5 1/2" 15.5# casing. Set casing @ 5901'. Allied Cementing cemented with 200 sx ASC cement. Plug down @ 5:30 AM, 12/14/06. Good returns. Released Murfin Rig #2.

JOB COMPLETE

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ALLIED CEMENTING CO., INC.

16788

Federal Tax I.D.:

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

SERVICE POINT:
Med. Lodge, KS

DATE <u>13 Dec 06</u>	SEC <u>23</u>	TWP. <u>31s</u>	RANGE <u>31w</u>	CALLED OUT <u>2:00 PM</u>	ON LOCATION <u>8:00 PM</u>	JOB START <u>3:00 AM</u>	JOB FINISH <u>5:30 AM</u>
LEASE <u>Brewhart</u>	WELL # <u>A-3</u>	LOCATION <u>Plains, KS, 5w on 160, 4 1/2 N</u>			COUNTY <u>Seward</u>	STATE <u>KS</u>	
OLD OR NEW (Circle one) <u>NEW</u>		<u>w/into</u>					

CONTRACTOR Murfin #2
 TYPE OF JOB Production Casing
 HOLE SIZE 7 7/8 T.D. 5900
 CASING SIZE 5 1/2 DEPTH 5904
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE _____ DEPTH _____
 TOOL _____ DEPTH _____
 PRES. MAX 1300 MINIMUM _____
 MEAS. LINE _____ SHOE JOINT 42.10
 CEMENT LEFT IN CSG. 42'
 PERFS. _____
 DISPLACEMENT 141 Bbls 2% KCL Water

OWNER Daystar Petro
 CEMENT
 AMOUNT ORDERED 25x60.40:6 & 200sx ASC
+5# Kolseal + .5% FL-160 & 750gals ASF &
14gals Clapro

EQUIPMENT
 PUMP TRUCK CEMENTER D. Felio
 # 343 HELPER S. Kramer
 BULK TRUCK
 # 356 DRIVER R. McKinney
 BULK TRUCK
 # _____ DRIVER _____

COMMON	<u>15</u>	<u>A</u>	@	<u>12.20</u>	<u>183.00</u>
POZMIX	<u>10</u>		@	<u>5.80</u>	<u>58.00</u>
GEL	<u>1</u>		@	<u>16.65</u>	<u>16.65</u>
CHLORIDE			@		
ASC	<u>200</u>		@	<u>14.20</u>	<u>2840.00</u>
<u>Kol Seal</u>	<u>1000</u>		@	<u>.70</u>	<u>700.00</u>
<u>FL-160</u>	<u>94</u>		@	<u>10.65</u>	<u>1001.10</u>
<u>ASF</u>	<u>750</u>		@	<u>1.00</u>	<u>750.00</u>
<u>Clapro</u>	<u>14</u>		@	<u>25.00</u>	<u>350.00</u>
			@		
			@		
			@		
HANDLING	<u>282</u>		@	<u>1.90</u>	<u>537.70</u>
MILEAGE	<u>40</u>	<u>x 283</u>	x	<u>0.09</u>	<u>1018.80</u>
TOTAL					<u>7455.20</u>

REMARKS:

Pipe on Btm, Break Circ, Pump Preflush,
Plug Rat hole w/ 15sx60.40:6, Plug mouse hole
w/ 60.40:6, Pump 200sx ASC + 5# Kolseal +
.5% FL-160, Stop Pumps, Wash Pump & Lines,
Release Plug, Start Disp w/ 2% KCL Water,
See Steady increase in PSI, Slow Rate,
Bump Plug at 141 Bbls total Disp, Release
PSI, Float Did hold.

SERVICE

DEPTH OF JOB	<u>5904'</u>		
PUMP TRUCK CHARGE			<u>1965.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>40</u>	@	<u>6.00 210.00</u>
<u>head rental</u>		@	<u>100.00 100.00</u>
		@	
		@	
TOTAL			<u>2275.00</u>

CHARGE TO: Daystar Petroleum
 STREET _____
 CITY _____ STATE _____ ZIP _____

5 1/2"

PLUG & FLOAT EQUIPMENT

1- Latch-down Plug Assy.	<u>375.00</u>	<u>375.00</u>
MANIFOLD 1-Stop Ring	@ <u>20.00</u>	<u>20.00</u>
1-AFU Float Shoe	@ <u>263.00</u>	<u>263.00</u>
1-Basket	@ <u>150.00</u>	<u>150.00</u>
15- trabolizers	@ <u>60.00</u>	<u>900.00</u>
1-threadlock Kit	@ <u>30.00</u>	<u>30.00</u>

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 TOTAL 1738.00
 TAX _____
 TOTAL CHARGE _____
 DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE Steve Beckman

PRINTED NAME Steve Beckman

2-23-08



Daystar Petroleum, Inc.

1321 West 93rd North • Valley Center, Kansas • 67147 • PH (316) 755-3492 • FAX (316)-755-3543

February 23, 2007

Kansas Corporation Commission
Conservation Division
130 S. Market, Room 2078
Wichita, Kansas 67202-3802

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FEB 23 2007
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**RE: Confidentiality of ACO-1
Barnhardt A #3
E/2 E/2 NE Sec. 23, T31S-R31W
Seward County, KS**

Dear Sir,

In accordance with Rule 32-3-13, please hold information on page 2 of the enclosed Form ACO-1 confidential for 12 months.

Thank you.

Sincerely,

Charles Schmidt
President

Enclosure

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KANSAS

CORPORATION COMMISSION

Kathleen Sebelius, Governor Thomas E. Wright, Chairman Michael C. Moffet, Commissioner Joseph F. Harkins, Commissioner

September 22, 2008

DAYSTAR PETROLEUM, INC.
1321 W 93 N
PO BOX 360
VALLEY CENTER, KS 67147-9136

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SEP 23 2008

RE: API Well No. 15-175-22072-00-00
BARNHARDT A 3
E2E2NE, 23-31S-31W
SEWARD County, Kansas

Dear Operator:

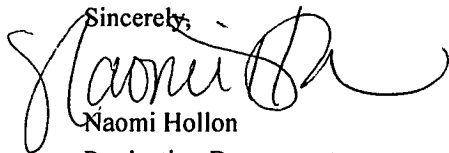
An affidavit of completion form (ACO-1) on the above referenced well was received on February 28, 2007. Technical review finds that the ACO-1 is incomplete. The information requested below, or an amended/corrected ACO-1, must be submitted by October 06, 2008. Only the current ACO-1 form will be accepted (Form ACO-1, Rev. 9-99), and only the lines marked below apply.

- | | |
|---|---|
| <input type="checkbox"/> All drilling and completion information. No ACO-1 has been received as of this date. | <input type="checkbox"/> TD and Completion date. (Month, Day, Year) |
| <input type="checkbox"/> Must be notarized and signed. | <input type="checkbox"/> Must have Footages from nearest outside corner of section. |
| <input type="checkbox"/> Must have the ORIGINAL HARD COPY of ACO-1. We do not accept fax copies. | <input type="checkbox"/> Side two on back of ACO-1 must be completed. |
| <input type="checkbox"/> Must be put on new form and typed. | <input checked="" type="checkbox"/> Must have final copies of DST's/Charts. |
| <input type="checkbox"/> API # or date when original well was first drilled. | <input type="checkbox"/> All original complete open and cased hole wireline logs run. |
| <input type="checkbox"/> Contractor License #. | <input type="checkbox"/> A copy of geological reports compiled by wellsite geologist. |
| <input type="checkbox"/> Designate type of Well Completion. | <input type="checkbox"/> A copy of all cement job logs showing type, amounts and additives used to cement casing strings, squeeze and/or to plug and abandon. (Note: Cement tickets must be from company providing the cement, not necessarily the contractor.) |
| <input type="checkbox"/> If Workover/Re-entry, need old well information, including original completion date. | <input type="checkbox"/> Any commingling information; File on the ACO-4 form. |
| <input type="checkbox"/> Spud date. (Month, Day, Year) | <input type="checkbox"/> Anything HIGHLIGHTED on ACO-1. |
| <input type="checkbox"/> Other: | |

K.C.C. regulation 82-3-107 provides confidentiality, upon written request, for a period of one year from the date of such letter request. Confidentiality rights are waived if the ACO-1 remains incomplete, or is not timely filed (within 120 days from the well's spud date) including: electric logs, geologist's wellsite reports, driller's logs, and Kansas Geological Survey requested samples.

Do not hesitate to call the Kansas Corporation Commission, Conservation Division, at (316) 337-6200 if there are any questions. PLEASE RETURN THIS FORM AND ANY ENCLOSURES WITH YOUR REPLY. Note: If the intent is incorrect, you need to file a corrected intent.

Sincerely,


Naomi Hollon
Production Department

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2-23-08

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CONSERVATION DIVISION
WICHITA, KS