

ORIGINAL

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

Form ACO-1  
September 1999  
Form Must Be Typed

Operator: License # 33583  
Name: Admiral Bay (USA) Inc.  
Address: 7060B S. Tucson Way  
City/State/Zip: Centennial, CO 80112  
Purchaser: Southern Star  
Operator Contact Person: Steven Tedesco  
Phone: ( 303 ) 350-1255  
Contractor: Name: McGown Drilling  
License: 5786  
Wellsite Geologist: Brian Walsh

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. \_\_\_\_\_  

<u>6/29/06</u>	<u>7/7/06</u>	<u>7/10/06</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

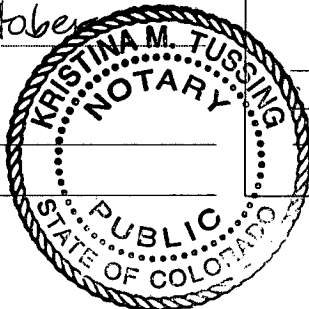
API No. 15 - 001-29418-00-00  
County: Allen  
\_\_\_\_\_ sw \_\_\_\_\_ ne Sec. 36 Twp. 26 S. R. 17  East  West  
2040 fnl \_\_\_\_\_ feet from S / (N) (circle one) Line of Section  
1820 fel \_\_\_\_\_ feet from (E) / W (circle one) Line of Section  
Footages Calculated from Nearest Outside Section Corner:  
(circle one) (NE) SE NW SW  
Lease Name: Markham Well #: 7-36  
Field Name: Humboldt-Chanute  
Producing Formation: Riverton Coal  
Elevation: Ground: 964 Kelly Bushing: \_\_\_\_\_  
Total Depth: 1162 Plug Back Total Depth: \_\_\_\_\_  
Amount of Surface Pipe Set and Cemented at 21 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 AH II NR  
(Data must be collected from the Reserve Pit) 12-2-08  
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: [Signature]  
Title: President Date: 10/4/06  
Subscribed and sworn to before me this 4th day of October  
20 06  
Notary Public: [Signature]  
Date Commission Expires: 5-22-08



KCC Office Use ONLY  
 Letter of Confidentiality Received  
If Denied, Yes  Date: \_\_\_\_\_  
 Wireline Log Received  
 Geologist Report Received  
 UIC Distribution  
**RECEIVED**  
KANSAS CORPORATION COMMISSION  
OCT 06 2006

CONSERVATION DIVISION  
WICHITA, KS

Operator Name: Admiral Bay (USA) Inc. Lease Name: Markham Well #: 7-36  
 Sec. 36 Twp. 26 S. R. 17  East  West County: Allen

**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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>(Attach Additional Sheets)</i>  Samples Sent to Geological Survey <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Electric Log Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>(Submit Copy)</i>  List All E. Logs Run:  <b>Gamma, Density-Neutron</b>	<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>Excello</td> <td>678</td> <td>286</td> </tr> <tr> <td>Upper Riverton</td> <td>1052</td> <td>-88</td> </tr> <tr> <td>Mississippian</td> <td>1066</td> <td>-102</td> </tr> </table>	Name	Top	Datum	Excello	678	286	Upper Riverton	1052	-88	Mississippian	1066	-102
Name	Top	Datum											
Excello	678	286											
Upper Riverton	1052	-88											
Mississippian	1066	-102											

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	9 5/8	8 5/8	20	21	Portland	5	
Production	6 3/4	4 1/2	9.5	1152	Thickset	124	Kol & Flo seal; gel

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
3	1052' to 1054'	3100# 20/40 sand; 2900# 12/20 sand; 369 bbls water	1052-1054

TUBING RECORD	Size	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input type="checkbox"/> No
---------------	------	--------	-----------	--

Date of First, Resumerd Production, SWD or Enhr. <b>9/7/06</b>	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.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity
-----------------------------------	-----------	---------	-------------	---------------	---------

Disposition of Gas <input type="checkbox"/> Vented <input checked="" type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	METHOD OF COMPLETION <input type="checkbox"/> Open Hole <input checked="" type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____	Production Interval _____
--	--	---------------------------

**RECEIVED**  
**KANSAS CORPORATION COMMISSION**  
**OCT 06 2006**  
**CONSERVATION DIVISION**  
**WICHITA, KS**



**CONSOLIDATED  
OIL WELL  
SERVICES**  
AN INFINITY COMPANY

#2

1530 S. SANTA FE, CHANUTE, KS 66720  
620-431-9210 OR 800-467-8676

TICKET NUMBER 29023

LOCATION Shager

FIELD TICKET

DATE	CUSTOMER ACCT #	WELL NAME	QTR/QTR	SECTION	TWP	RGE	COUNTY	FORMATION
8-1-06	1067	Murkham 7-36		36	26	17	AC	Keokuk
CHARGE TO <u>Admiral Bay Reservoir</u>				OWNER				
MAILING ADDRESS				OPERATOR <u>Jim Morris</u>				
CITY & STATE				CONTRACTOR				

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION OF SERVICES OR PRODUCT	UNIT PRICE	TOTAL AMOUNT
5102B	1	PUMP CHARGE 1000 HP Combo		2150.00
5102D	1	Acid Pull off ahead		NC
5610	1	Acid Delivery		160.00
5302	1	Acid Spnt.		460.00
511	1	Frac Van		490.00
3107	200	15% HCL 100+100		260.00
4326	10	1/2" Ball Sealers 10		22.60
5107	1	Chem. Inj. Pump		94.00
5115	1	Ball Separator		90.00
5604	1	Frac Valve		68.00
1123	—	City Water - Customer provided		—
1231	200#	Space Gel 10# system		910.00
1215	0	KEL SURF		0
1208	1	Breaker		164.25
1205A	10	Residue		253.50
1252	20	MAKED		700.00
5103	1	BLENDING & HANDLING Gel Fracture		265.00
5108	19	TON-MILES 2nd unit		275.00
5109	19	STAND BY TIME		NA.
5501P	2	MILEAGE X 4 @ 1/2/5/4		NC
2101	3100	VACUUM TRUCKS		
2102	2900	FRAC SAND 20/40		434.00
2102	600	CEMENT 12/20		464.00
		12/20 on ground.		96.00
		SALES TAX		1.42.

RECEIVED  
KANSAS CORPORATION COMMISSION  
OCT 06 2006  
CONSERVATION DIVISION  
WICHITA, KS

ESTIMATED TOTAL 9357.77

CUSTOMER or AGENTS SIGNATURE Jim Morris SIS FOREMAN Jerry Lester

CUSTOMER or AGENT (PLEASE PRINT) \_\_\_\_\_ DATE \_\_\_\_\_

207691

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

#2

TICKET NUMBER 41705  
 FIELD TICKET REF # 29023  
 LOCATION Mayes  
 FOREMAN Jenny Lester

TREATMENT REPORT  
 FRAC & ACID

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
8-1-06	1067	Markham 7-36	36	26	17	AL
CUSTOMER <u>Admiral Bay Resources</u>						
MAILING ADDRESS						
CITY		STATE	ZIP CODE			

TRUCK #	DRIVER	TRUCK #	DRIVER
476	Dusty	455/795	DANNY
490	Hardy		
176	ERIC		
449	Charlie		
459	JOE		
424	Steve		

WELL DATA	
CASING SIZE <u>4 1/2</u>	TOTAL DEPTH
CASING WEIGHT	PLUG DEPTH
TUBING SIZE	PACKER DEPTH
TUBING WEIGHT	OPEN HOLE
PERFS & FORMATION	
<u>Reversion</u>	<u>1052-54 2' (9)</u>

TYPE OF TREATMENT  
Acid Spot / 1000' Sand frac

CHEMICALS  
1540 HCL  
Frac Gel Breaker / 100 gal system  
Bioocide  
MaxFlo

STAGE	BBL'S PUMPED	INJ RATE	PROPPANT PPG	SAND / STAGE	PSI	
<u>PAID</u>	<u>80 PAID</u>	<u>4.8-12</u>			<u>70-850-1006</u>	BREAKDOWN <u>921</u>
		<u>13.3</u>			<u>1026-1100</u>	START PRESSURE <u>1200</u>
<u>20/40</u>		<u>12</u>	<u>.25</u>		<u>1200-1030</u>	END PRESSURE <u>3000</u>
<u>20/40</u>		<u>12</u>	<u>.5</u>		<u>985-</u>	BALL OFF PRESS <u>None</u>
<u>20/40</u>		<u>12</u>	<u>.75</u>	<u>3100 #</u>	<u>850-943</u>	ROCK SALT PRESS <u>---</u>
<u>20/40</u>		<u>12</u>	<u>1</u>		<u>940-956</u>	ISIP <u>2300</u>
<u>12/20</u>		<u>12</u>	<u>.25</u>		<u>1085-1100</u>	5 MIN <u>119</u>
<u>12/20</u>		<u>12</u>	<u>.5</u>		<u>1085-1300</u>	10 MIN
<u>12/20</u>		<u>12</u>	<u>.25</u>	<u>2900 #</u>	<u>1400-1247</u>	15 MIN
<u>12/20</u>		<u>12</u>	<u>.5</u>		<u>1685-1230</u>	MIN RATE <u>4</u>
<u>12/20</u>		<u>12</u>	<u>.5</u>		<u>1300-3000</u>	MAX RATE <u>12</u>
<u>Screen out</u>						DISPLACEMENT <u>16.7</u>
<u>FOOSH</u>						
<u>TOTL</u>	<u>369</u>			<u>6000 #</u>		

REMARKS:  
Spot 100 gal 15% HCL on pers. Pressure up + Breakdown  
soaks stage. Establish 4 bpm rate  
Run 100 gal 15% w/ 10 Ball Spacers. No Balls.  
Release Balls. Begin w/ Frac Prod.  
Used 34 Bbls.

AUTHORIZATION Dan Morris TITLE \_\_\_\_\_ DATE OCT 06 2006  
 RECEIVED KANSAS CORPORATION COMMISSION  
 CONSERVATION DIVISION WICHITA, KS

Prepared by: Consolidated Oil Well Services

Company Name: Admiral Bay Resources

Well Name: Markham 7-36

Field: Shiloh

Formation: Bartlesville

County: ML

State: KS

Job Date: 08/01/06

Comments: Acid spot/ABO/Sand Frac

Perfs 1052-54, 9 shts

spot 100, abo 100 gal w/ 10 balls

Fluids: 369 bbls, 10# gel, maxflo, biocide

Proppants: 3100# 20/40, 2900# 12/20

Average Rate: 12

Average STP: 950

Tubing:

Casing: 4 1/2

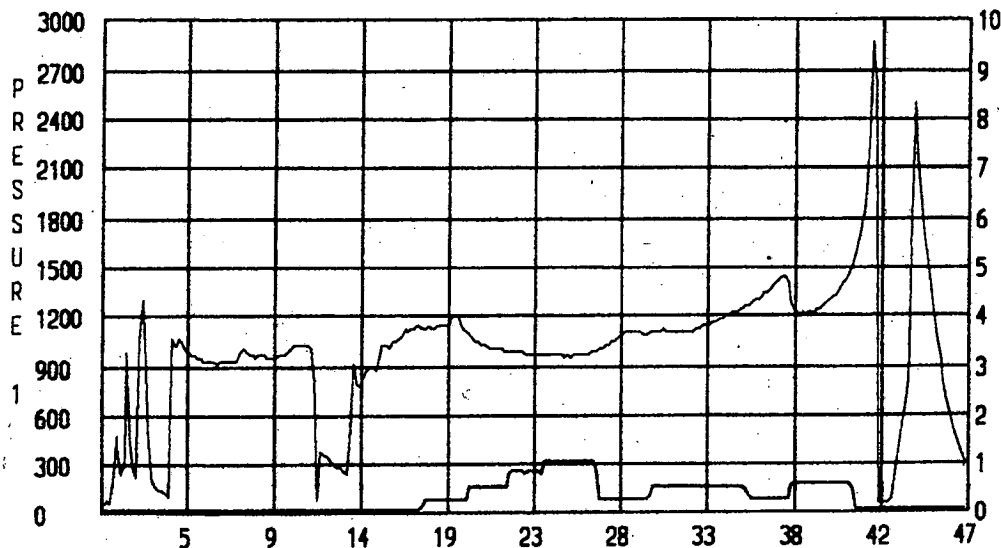
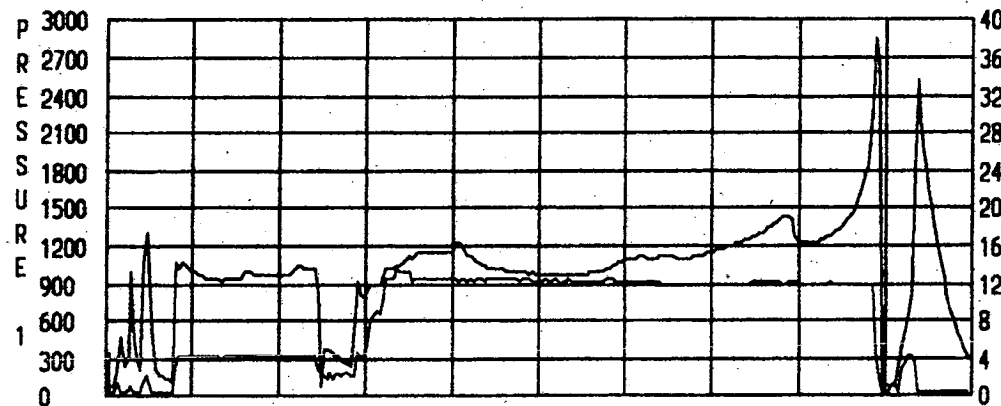
Packer:

Filename: 06031706

Closure Pres: 4000

RECEIVED  
KANSAS CORPORATION COMMISSION  
OCT 06 2006  
CONSERVATION DIVISION  
WICHITA, KS

### LINEAR PLOT



Elapsed Time (min), Start at 16:44:50

T  
O  
T  
A  
L  
R  
A  
T  
E

C  
O  
N  
C



**SAMPLE**  
**Sand Schedule**

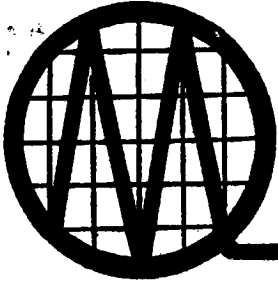
7/31/2006  
10:18 AM

Water	Sand	Conc	Sand Stage	Sand Total	Water Total	BPM
75	Pad	0	0	0	75	12-15
25	20/40	0.25	262.5	263	100	12-15
25		0.375	393.75	656	125	12-15
25		0.5	525	1181	150	12-15
<b>50</b>		<b>0.75</b>	<b>1575</b>	<b>2756</b>	<b>200</b>	<b>12-15</b>
25	12/20	0.125	131.25	2888	225	12-15
50		0.25	525	3413	275	12-15
50		0.375	787.5	4200	325	12-15
<b>50</b>		<b>0.5</b>	<b>1050</b>	<b>5250</b>	<b>375</b>	<b>12-15</b>
0		0	0	5250	375	
0		0	0	5250	375	
0		0	0	5250	375	
75	Flush	0	0	5250	450	12-15
450			5250	5250	450	
		<b>Gel System</b>	<b>Gel Needed</b>	<b>KCl @ 2%</b>	<b>MaxFlo</b>	<b>Biocide</b>
		10	210	0	19	11
500	Water on hand					

**RECEIVED**  
KANSAS CORPORATION COMMISSION

OCT 06 2006

CONSERVATION DIVISION  
WICHITA, KS



# MIDWEST SURVEYS

LOGGING • PERFORATING • CONSULTING • M.I.T. SERVICES

P.O. Box 68 • Osawatomie, KS 66064  
Phone 913-755-2128 • Fax 913-755-6533

## Perforation Record

Company: Admiral Bay Resources, Inc.

Lease/Field: Markham Lease

Well: # 7-36

County, State: Allen County, Kansas

Service Order #: 17268

Purchase Order #: N/A

Date: 7/24/2006

Perforated @: 1052.0 to 1054.0

Type of Jet, Gun  
or Charge: 3 3/8" DP 23 Gram Tungsten Expendable Casing Gun

Number of Jets,  
Guns or Charges: Nine (9)

Casing Size: 4.5"

RECEIVED  
KANSAS CORPORATION COMMISSION

OCT 06 2006

CONSERVATION DIVISION  
WICHITA, KS



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

TICKET NUMBER 08762  
 LOCATION Ottawa, KS  
 FOREMAN Casey Kennedy

TREATMENT REPORT & FIELD TICKET  
 CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
7/11/06	1067	Markham 7-36	36	26	17	AL
CUSTOMER			TRUCK #	DRIVER	TRUCK #	DRIVER
Admiral Bay Resources			389	Casey Ken		
MAILING ADDRESS			368	Mat Mad		
410 N State St			195	Gar And		
CITY	STATE	ZIP CODE	5057106	Mar Wil		
Tola	KS	66749				

JOB TYPE Logging HOLE SIZE 6 3/4" HOLE DEPTH 1162' CASING SIZE & WEIGHT 4 1/2"  
 CASING DEPTH 1152' DRILL PIPE \_\_\_\_\_ TUBING \_\_\_\_\_ OTHER \_\_\_\_\_  
 SLURRY WEIGHT \_\_\_\_\_ SLURRY VOL \_\_\_\_\_ WATER gal/sk \_\_\_\_\_ CEMENT LEFT in CASING 4 1/2" rubber plug  
 DISPLACEMENT 18 bbls DISPLACEMENT PSI \_\_\_\_\_ MIX PSI \_\_\_\_\_ RATE 4 bpm

REMARKS: established circulation, mixed & pumped 200# Premium Gel followed by 10 bbls fresh water, mixed & pumped 12 bbls tell tale dye, mixed & pumped 131 sks Thickset cement w/ 5# Kol Seal and 1/4# Flo Seal per sk. Pushed pump clean, displaced 4 1/2" rubber plug to casing TD w/ 18 bbls fresh water, pressured to 600 PSI, released pressure to set float valve, checked plug depth w/ wire line

*Handwritten signature/initials*

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
5401	1	PUMP CHARGE cement pump		800.00
5406	70 miles	MILEAGE pump truck		220.50
5407A	6.157 ton	ton mileage		452.54
5501C	3 hrs	Transport (cement)		294.00
1126A	124 sks	Thickset cement		1816.60
1118B	200 #	Premium gel 50#		28.00
1110A	655 #	KOI Seal		235.80
1107	33 #	Flo Seal		59.40
4404	1	4 1/2" rubber plug		40.00
		sub total		8946.84
		SALES TAX		137.33
		ESTIMATED TOTAL		4084.17

RECEIVED  
 KANSAS CORPORATION COMMISSION  
 OCT 06 2006  
 CONSERVATION DIVISION  
 WICHITA, KS

AUTHORIZATION \_\_\_\_\_

TITLE NO# 206880

DATE \_\_\_\_\_