

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. _____

<u>02/27/07</u>	<u>03/04/07</u>	<u>03/05/07</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 065-23,285-00-00
County: GRAHAM
E2 SE SW SE Sec. 32 Twp. 9 S. R. 23 East West
330 feet from (S) N (circle one) Line of Section
1510 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 Well #: 1-32
Field Name: MOREL

Producing Formation: LKC
Elevation: Ground: 2400 Kelly Bushing: 2445
Total Depth: 4062 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at 214.71 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set 2005 Feet
If Alternate II completion, cement circulated from 2005'
feet depth to SURFACE w/ 275 sx cmty

Alt 2 - log - 1/9/09

Drilling Fluid Management Plan
(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.: _____

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KANSAS CORPORATION COMMISSION

130 S. Market - Room 2078, Wichita, Kansas 67202

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.

CONSERVATION DIVISION

WICHITA, KS

MAY 10 2007

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: Al Downing
Title: VICE PRESIDENT Date: _____

Subscribed and sworn to before me this 9 day of May
2007.

Notary Public: Michelle L Meier

Date Commission Expires: 7/28/09

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

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

Operator Name: DOWNING-NELSON OIL COMPANY, INC Lease Name: MITCHELL 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 <input type="checkbox"/> Yes <input checked="" 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: Micro, Sonic, Density-Neutron and Dual Induction	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample <table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Name</th> <th style="text-align: left;">Top</th> <th style="text-align: left;">Datum</th> </tr> </thead> <tbody> <tr> <td>TOP ANHYDRITE</td> <td>2034</td> <td>+411</td> </tr> <tr> <td>BASE ANHYDRITE</td> <td>2068</td> <td>+377</td> </tr> <tr> <td>TOPEKA</td> <td>3506</td> <td>-1061</td> </tr> <tr> <td>HEEBNER</td> <td>3723</td> <td>-1278</td> </tr> <tr> <td>TORONTO</td> <td>3748</td> <td>-1303</td> </tr> <tr> <td>LKC</td> <td>3762</td> <td>-1317</td> </tr> <tr> <td>BKC</td> <td>3994</td> <td>-1549</td> </tr> </tbody> </table>	Name	Top	Datum	TOP ANHYDRITE	2034	+411	BASE ANHYDRITE	2068	+377	TOPEKA	3506	-1061	HEEBNER	3723	-1278	TORONTO	3748	-1303	LKC	3762	-1317	BKC	3994	-1549
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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	12 1/4"	8 5/8"	20	212	COMMON	160	2% Gel & 3% CC
Production St.	7 7/8	5 1/2	14	4060	AA-2	150	
			DV Tool @	2005	A-CON.	275	

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	3918' to 3924'	500 GALLONS 15% MUD ACID	3918'-3924'
		1000 GALLONS 15% NE ACID	3918'-3924'
		2000 GALLONS 15% NE	3918'-3924'

TUBING RECORD		Size <u>2 3/8</u>	Set At <u>3993.65'</u>	Packer At	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr. <u>03/27/07</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>20</u>	Gas Mcf <u>0</u>	Water Bbls. <u>20</u>	Gas-Oil Ratio	Gravity

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) _____



SALES OFFICE:
 100 S. Main
 Suite #607
 Wichita, Ks. 67202
 316-262-3699
 316-262-5799 FAX

SALES & SERVICE OFFICE:
 10244 NE. Hwy 61
 P.O. Box 8613
 Pratt, Ks. 67124-8613
 620-672-1201
 620-672-5383 FAX

SALES & SERVICE OFFICE:
 1700 S. Country Estates Rd.
 P.O. Box 129
 Liberal, Ks. 67905-0129
 620-624-2277
 620-624-2280 FAX

Invoice

Bill to: Downing - Nelson Oil Co., Inc P.O. Box 372 Hays, KS 67601	1945500	Invoice	Invoice Date	Order	Station
		703019	03/05/07	16022	Pratt
	Service Description				
	Cement				
		Lease	Well	Well Type	
		Mitchell	1-32	New Well	
		AFE	PO	Terms	
				Net 30	
CustomerRep	Treater				
Terry	Todd Seba				

ID.	Description	UOM	Quantity	Unit Price	Price
D205	AA2	1450 SK	150	\$16.53	\$2,479.50 (T)
D201	A-CON BLEND	3037 SK	275 ¹³⁸²	\$17.07	\$4,694.25 (T)
D203	60/40 POZ	SK	25	\$10.71	\$267.75 (T)
C195	FLA-322	LB	113	\$8.25	\$932.25 (T)
C221	SALT (Fine)	160 GAL OK	790	\$0.25	\$197.50 (T)
C243	DEFOAMER	LB	36	\$3.45	\$124.20 (T)
C244	CEMENT FRICTION REDUCER	LB	43	\$6.00	\$258.00 (T)
C321	GILSONITE	LB	748	\$0.67	\$501.16 (T)
C194	CELLFLAKE	LB OK	108	\$3.70	\$399.60 (T)
C310	CALCIUM CHLORIDE	210 LBS	777	\$1.00	\$777.00 (T)
F211	AUTO FILL FLOAT SHOE, 5 1/2"	310 EA	1	\$320.00	\$320.00 (T)
F181	WEATHERFORD LATCH DOWN PLUG & BAFFLE, 5 1/2"	200 EA	1	\$726.00	\$726.00 (T)
F251	TWO STAGE CEMENT COLLAR, 5 1/2" DV?	3000 EA	1	\$4,583.00	\$4,583.00 (T)
F101	TURBOLIZER, 5 1/2"	80 EA	6	\$74.20	\$445.20 (T)
F121	BASKET, 5 1/2"	280 EA	1	\$268.50	\$268.50 (T)
C303	SUPER FLUSH	375 GAL	500	\$2.45	\$1,225.00 (T)
E100	HEAVY VEHICLE MILEAGE - 1 WAY	MI	480	\$5.00	\$2,400.00
E101	CAR, PICKUP OR VAN MILEAGE - 1 WAY	MI	160	\$3.00	\$480.00
E104	PROPPANT / BULK DELIV SERVICES/TON MILE, \$200 MIN	959 TM	3392	\$1.60	\$5,427.20
E107	CEMENT SERVICE CHARGE	412 SK	450	\$1.50	\$675.00
R209	CASING CEMENT PUMPER, 4001-4500' 1ST 4 HRS ON LOC	EA	1	\$1,764.00	\$1,764.00
R701	CEMENT HEAD RENTAL	EA	1	\$250.00	\$250.00

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 KANSAS CORPORATION COMMISSION

MAY 10 2007

CONSERVATION DIVISION
 WICHITA, KS

Graham County & State Tax Rate: 5.55%

(T) Taxable Item

Sub Total: \$29,195.11

Discount: \$4,671.22

Discount Sub Total: \$24,523.89

Taxes: \$848.43

Total: \$25,372.32

PLEASE REMIT TO Acid Services, LLC, Dept No 1131, Tulsa, OK 74182

Accounts are past due net 30 days following the date of invoice. Finance charge of 1 1/2% per month or 18% annual percentage rate will be charged on all past due accounts. Customer agrees not to withhold payment of any invoice, or assert any right of offset, recoupment or any other defense to payment of any invoice, on account of any right that you may now or hereafter have to payment from us, except for claims arising out of such invoice because of defects in the specific services described in such invoice. Additionally, you hereby waive any right that you may have under any state, federal or other law to assert

Allied Cementing Co., Inc
P.O. Box 31
Russell, KS 67665

* * * * *
* I N V O I C E *
* * * * *

Invoice Number: 106759

Invoice Date: 02/28/07

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

Cust I.D.....: Down
P.O. Number...: Mitchell 1-32
P.O. Date.....: 02/28/07

Due Date.: 03/30/07
Terms.....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	160.00	SKS	12.2000	1952.00	T
Gel Chloride	3.00	SKS	16.6500	49.95	T
Handling	5.00	SKS	46.6000	233.00	T
Mileage	168.00	SKS	1.9000	319.20	E
168 sks @.09 per sk per mi	70.00	MILE	15.1200	1058.40	E
Surface	1.00	JOB	815.0000	815.00	E
Mileage pmp trk	70.00	MILE	6.0000	420.00	E
Surface Plug	1.00	EACH	60.0000	60.00	T

All Prices Are Net, Payable 30 Days Following
Date of Invoice. 1 1/2% Charged Thereafter.
If Account CURRENT take Discount of 490.75
ONLY if paid within 30 days from Invoice Date

Subtotal:	4907.55
Tax.....:	127.37
Payments:	0.00
Total....:	5034.92

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WICHITA, KS