

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: 332237
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>07/07/07</u>	<u>07/13/07</u>	<u>07/13/07</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 065-23316-00-00
County: GRAHAM
E2 SW SW NE Sec. 14 Twp. 9 S. R. 21 East West
2310 feet from S / N (circle one) Line of Section
2259 feet from E / W (circle one) Line of Section
Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Balthazor Well #: 2-14
Field Name: Morel
Producing Formation: ARBUCKLE
Elevation: Ground: 2194 Kelly Bushing: 2199
Total Depth: 3778 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at 213 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set 1643 Feet
If Alternate II completion, cement circulated from 1643
feet depth to SURFACE w/ 165 ^{sx cmt.}
Alt 2-Dg - 1/15/09

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.: _____

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.

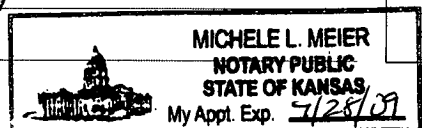
All requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Signature: [Signature]
Title: VICE PRESIDENT Date: 11/06/07

Subscribed and sworn to before me this 6th day of November,
20 07.

Notary Public: Michele 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

RECEIVED
KANSAS CORPORATION COMMISSION
NOV 07 2007
CONSERVATION DIVISION
WICHITA, KS

JANCO

Side Two

Operator Name: DOWNING-NELSON OIL COMPANY, INC Lease Name: Balthazor Well #: 2-14
 Sec. 14 Twp. 9 S. R. 21 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 type="checkbox"/> Yes <input checked="" 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	1664	+ 535
Electric Log Run <i>(Submit Copy)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	BASE ANHYDRITE	1698	+ 501
List All E. Logs Run:		TOPEKA	3134	- 935
		HEEBNER	3340	-1141
		TORONTO	3360	-1161
		LKC	3378	-1179
		BKC	3598	-1399
		ARBUCKLE	3682	-1483

Sonic, Micro, Dual Induction and Compensated Neutron/Density

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#	213	COMMON	150	2% Gel & 3% CC
Production S.	7 7/8"	5 1/2"	14#	3779.47	EA/2	150	
			DV Tool @	1643	SMDC	165	

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 <i>(Amount and Kind of Material Used)</i>	Depth
4	3714' TO 3716'	Squeeze 100sxs CC	
4	3685' TO 3687'	250 GAL. OF 15% MUD ACID	3685'-3687'
		3000 GAL 15% NE FE	3625'

TUBING RECORD:	Size	Set At	Packer At	Liner Run
	2 3/8	3770'		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Date of First, Best Merit Production, SWD or Enhr. 08/24/07 Producing Method Flowing Pumping Gas Lift Other (Explain)

Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity
	31	0	30		

Disposition of Gas Vented Sold Used on Lease Open Hole Perf. Dually Comp. Commingled Other (Specify) _____

(If vented, Submit ACO-18.)



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



Invoice

DATE	INVOICE #
7/13/2007	11560

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

- Acidizing
- Cement
- Tool Rental

TERMS	Well No.	Lease	County	Contractor	Well Type	Well Category	Job Purpose	Operator
Net 30	#2-14	Balphazor	Graham	A & A Production...	Oil	Development	Two Stage	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				8	Each	95.00	760.00T
403-5	5 1/2" Cement Basket				1	Each	290.00	290.00T
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	3,200.00	3,200.00T
417-5	5 1/2" D.V. Latch Down Plug & Baffle				1	Each	200.00	200.00T
325	Standard Cement				150	Sacks	12.00	1,800.00T
330	Swift Multi-Density Standard (MIDCON II)				180	Sacks	14.50	2,610.00T
276	Flocele				83	Lb(s)	1.25	103.75T
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				330	Sacks	1.10	363.00
583D	Drayage				840.78	Ton Miles	1.00	840.78
	Subtotal							13,642.53
	Sales Tax Graham County						5.55%	582.13

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CONSERVATION DIVISION
WICHITA, KS

Thank You For Your Business!	Total	\$14,224.66
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ALLIED

CEMENTING CO., LLC
Cementing & Acidizing Services

24 S. Lincoln Street
P.O. Box 31
Russell, KS 67665-2906

Voice: (785) 483-3887
Fax: (785) 483-5566

INVOICE

Invoice Number: 109099
Invoice Date: Jul 10, 2007
Page: 1

Bill To:

Downing -Nelson
Oil Co., Inc.,
P. O. Box 372
Hays, KS 67601

Federal Tax I.D.#

Customer ID	Well Name# or Customer P.O.	Payment Terms	
Down	Balthazor #2-14	Net 30 Days	
Sales Rep ID	Camp Location	Service Date	Due Date
	Russell	Jul 10, 2007	8/9/07

Quantity	Item	Description	Unit Price	Amount
150.00	MAT	Common	11.10	1,665.00
3.00	MAT	Gel	16.65	49.95
5.00	MAT	Chloride	46.60	233.00
158.00	SER	Handling	1.90	300.20
60.00	SER	Mileage 158 sx @.09 per sk per mi	14.22	853.20
1.00	SER	Surface	815.00	815.00
60.00	SER	Mileage Pump Truck	6.00	360.00
1.00	EQP	Plug	60.00	60.00

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CONSERVATION DIVISION
WICHITA, KS

ALL PRICES ARE NET, PAYABLE
30 DAYS FOLLOWING DATE OF
INVOICE. 1 1/2% CHARGED
THEREAFTER. IF ACCOUNT IS
CURRENT, TAKE DISCOUNT OF

\$ 433.63

ONLY IF PAID ON OR BEFORE

Aug 9, 2007

Subtotal	4,336.35
Sales Tax	111.44
Total Invoice Amount	4,447.79
Payment/Credit Applied	
TOTAL	4,447.79