

CONFIDENTIAL

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
9/05/09

Operator: License # 5822
Name: VAL ENERGY, INC
Address: 200 W. DOUGLAS SUITE 520
City/State/Zip: WICHITA, KS 67205
Purchaser: MACLASKEY
Operator Contact Person: TODD ALLAM
Phone: (316) 263-6688
Contractor Name: VAL ENERGY, INC
License: 5822
Wellsite Geologist: JON STEWART

API No. 15 - 007-23316-0000
County: BARBER
NE SW SW SW Sec. 21 Twp. 34 S. R. 11 East West
495 feet from S / N (circle one) Line of Section
495 feet from E W (circle one) Line of Section
Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: PAXTON/KUBIK UNIT Well #: 1-21
Field Name: UNKNOWN

Producing Formation: MISSISSIPPI
Elevation: Ground: 1366 Kelly Bushing: 1377
Total Depth: 4850 Plug Back Total Depth: 4815
Amount of Surface Pipe Set and Cemented at 237 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 cm.

Drilling Fluid Management Plan AH JNH 10-14-08
(Data must be collected from the Reserve Pit)
Chloride content 21,000 ppm Fluid volume 900 bbls
Dewatering method used Hauled
Location of fluid disposal if hauled offsite:
Operator Name: BENLO OPERATING
Lease Name: COLE SWD License No.: 32613
Quarter NW Sec. 25 Twp. 32 S. R. 12 East West
County: BARBER Docket No.: D19886

See
tab
on
9/10/08
m

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. _____

7/11/08 7/19/08 7/28/08
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

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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: Todd Allam
Title: President Date: 9/4/08
Subscribed and sworn to before me this 4 day of September,
20 08
Notary Public: Brandi Wyer
Date Commission Expires: 2/24/2010

KCC Office Use ONLY
 Letter of Confidentiality Received
If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received
_____ UIC Distribution
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NOTARY PUBLIC - State of Kansas
BRANDI WYER
My Appt. Expires 2/24/2010

Operator Name: VAL ENERGY, INC Lease Name: PAXTON/KUBIK UNIT Well #: 1-21
 Sec. 21 Twp. 34 S. R. 11 East West County: BARBER

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 Sample Name Top Datum HEEBNER 3700 -2323 DOUGLAS SHALE 3739 -2362 L/KC 4225 -2848 STARK SHALE 4391 -3014 MARMATON 4488 -3111 PAWNEE 4571 -3194 CHEROKEE SHALE 4608 -3231 MISSISSIPPIAN CHERT 4669 -3292
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 <i>(Submit Copy)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
List All E. Logs Run:		

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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	24#	237	60/40POZ	190	3%CC 2% GEL
PRODUCTION	7 7/8	5 1/2	14#	4849	AA2	125	

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
	1 SPF	4692-4700, 4705-4709, 4714-4718		1000 GAL MA. SLICK WATER FRAC 202 MLBS SAND 6052 BBL WATER	

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WICHITA, KS

TUBING RECORD		Size 2 7/8	Set At 4642	Packer At	Liner Run <input type="checkbox"/> Yes <input type="checkbox"/> No
Date of First, Reservoir Production, SWD or Enhr. <u>8/24/2008</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>160</u>	Gas Mcf <u>200</u>	Water Bbls. <u>350</u>	Gas-Oil Ratio	Gravity

Disposition of Gas: Vented Sold Used on Lease *(If vented, Submit ACO-18.)*

METHOD OF COMPLETION: Open Hole Perf. Dually Comp. Commingled Other (Specify) _____

Production Interval: _____



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: 115029
Invoice Date: Jul 12, 2008
Page: 1

Bill To:
Val Energy, Inc. 200 W. Douglas STE #520 Wichita, KS 67202

9208 RECEIVED
JUL 17 2008

Customer ID	Well Name# or Customer P.O.	Payment Terms	
Val	Paxton Unit #1-21	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS1	Medicine Lodge	Jul 12, 2008	8/11/08

Quantity	Item	Description	Unit Price	Amount
114.00	MAT	Class A Common	15.45	1,761.30
76.00	MAT	Pozmix	8.00	608.00
3.00	MAT	Gel	20.80	62.40
6.00	MAT	Chloride	58.20	349.20
199.00	SER	Handling	2.40	477.60
1.00	SER	Minimum Handling Mileage Charge	312.00	312.00
1.00	SER	Surface	1,018.00	1,018.00
15.00	SER	Mileage Pump Truck	7.00	105.00
1.00	SER	Head Rental	113.00	113.00
1.00	EQP	Top Wooden Plug	68.00	68.00

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 KCC
Cement Surface Casing

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

\$ 487.45

ONLY IF PAID ON OR BEFORE

Aug 11, 2008

Subtotal	4,874.50
Sales Tax	179.48
Total Invoice Amount	5,053.98
Payment/Credit Applied	
TOTAL	5,053.98

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WICHITA KS

487.45
4566.53

ALLIED CEMENTING CO., LLC. 32307

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

SERVICE POINT:

Medicine Lodge

Daxton Unit 1-21

DATE <i>7-12-08</i>	SEC <i>21</i>	TWP <i>34s</i>	RANGE <i>11w</i>	CALLED OUT <i>11:30 PM</i>	ON LOCATION <i>12:00</i>	JOB START <i>1:30 AM</i>	JOB FINISH <i>2:00 AM</i>
WELL # <i>1-21</i>			LOCATION <i>281 + Hawkins Rd.</i>	COUNTY <i>Barber</i>	STATE <i>Ks.</i>		
OLD OR NEW (Circle one)			<i>East to DE. Elinto</i>				

CONTRACTOR *Val #3*

TYPE OF JOB *Surface*

HOLE SIZE *12 1/4* T.D.

CASING SIZE *8 7/8* DEPTH *238*

TUBING SIZE DEPTH

DRILL PIPE DEPTH

TOOL DEPTH

PRES. MAX *300* MINIMUM

MEAS. LINE SHOE JOINT

CEMENT LEFT IN CSG. *15'*

PERFS.

DISPLACEMENT *14 Bbls freshwater*

EQUIPMENT

OWNER *Val Energy*

CEMENT AMOUNT ORDERED

190 sx 60:40:2 + 3% CC

COMMON	<i>114 A</i>	@	<i>15.45</i>	<i>1761.30</i>
POZMIX	<i>76</i>	@	<i>8.00</i>	<i>608.00</i>
GEL	<i>3</i>	@	<i>20.80</i>	<i>62.40</i>
CHLORIDE	<i>6</i>	@	<i>58.20</i>	<i>349.20</i>
ASC		@		
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<i>199</i>	@	<i>2.40</i>	<i>477.60</i>
MILEAGE	<i>15 Min Chg</i>			<i>312.00</i>
TOTAL				<i>3570.50</i>

PUMP TRUCK CEMENTER *Carol Bakling*

343 HELPER *Jerry F Thomas 2*

BULK TRUCK DRIVER *Adam A*

364

BULK TRUCK DRIVER

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REMARKS:



PAGE 1 of 2	CUST NO 1970-VAL002	INVOICE DATE 07/21/2008
INVOICE NUMBER 1970002245		

Pratt

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JUL 22 2008

B
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T
O
VAL ENERGY
200 W. DOUGLAS
SUITE 520
WICHITA
ATTN:

KS 67202

J
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B
S
I
T
E

LEASE NAME Paxton/Kubik Unit
WELL NO. 1-21
COUNTY Barber
STATE KS
JOB DESCRIPTION Cement-New Well Casing/Pipe:
JOB CONTACT

RP

9308

JOB #	EQUIPMENT #	PURCHASE ORDER NO.	TERMS	DUE DATE	
1970-02252	301		Net 30 DAYS	08/20/2008	
For Service Dates: 07/20/2008 to 07/20/2008					
1970-02252					
1970-17872 Cement-New Well Casing 7/20/08					
Pump Charge-Hourly		1.00	Hour	2520.000	2,520.00
Depth Charge; 4001'-5000'		1.00	EA	250.000	250.00
Cementing Head w/Manifold Plug Container Utilization Charge		1.00	EA	290.000	290.00
Cement Float Equipment Basket 5 1/2"		1.00	EA	215.000	215.00
Cement Float Equipment Flapper Type Insert Float Valves		1.00	EA	250.000	250.00
Cement Float Equipment Guide Shoe-Regular		1.00	EA	105.000	105.00
Cement Float Equipment Top Rubber Cement Plug		5.00	EA	110.000	550.00
Cement Float Equipment Turbolizer		150.00	DH	1.400	210.00
Mileage Blending and Mixing Service Charge		90.00	DH	7.000	630.00
Mileage Heavy Equipment Mileage		315.00	DH	1.600	504.00
Mileage Proppant and Bulk Delivery Charges		45.00	Hour	4.250	191.25
Pickup Unit Mileage Charge(Pickups, Vans, or Cars)		30.00	EA	4.000	120.00 T
Additives De-foamer		95.00	EA	7.500	712.50 T
Additives FLA-322		118.00	EA	5.150	607.70 T
Additives Gas-Blok		625.00	EA	0.670	418.75 T
Additives Gilsonite		601.00	EA	0.500	300.50 T
Additives Salt					

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WICHITA, KS

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Pratt

PAGE 2 of 2	CUST NO 1970-VAL002	INVOICE DATE 07/21/2008
INVOICE NUMBER 1970002245		

B VAL ENERGY
I 200 W. DOUGLAS
L SUITE 520
L
T WICHITA KS 67202
O ATTN:

J LEASE NAME Paxton/Kubik Unit
O WELL NO. 1-21
B COUNTY Barber
S STATE KS
I JOB DESCRIPTION Cement-New Well Casing/Pipe:
T JOB CONTACT
E

JOB #	EQUIPMENT #	PURCHASE ORDER NO.	TERMS	DUE DATE
1970-02252	301		Net 30 DAYS	08/20/2008
Additives Super Flush II	CONFIDENTIAL		QTY 1,000.00	U of M EA
Cement 60/40 POZ	SEP 05 2008		UNIT PRICE 1.530	INVOICE AMOUNT 1,530.00 T
Cement AA2 Cement	KCC		25.00	EA 11.000 275.00 T
Supervisor Service Supervisor Charge			125.00	EA 16.600 2,075.00 T
			1.00	Hour 175.000 175.00

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PLEASE REMIT TO: BASIC ENERGY SERVICES, LP PO BOX 841903 DALLAS, TX 75284-1903	SEND OTHER CORRESPONDENCE TO: BASIC ENERGY SERVICES, LP PO BOX 10460 MIDLAND, TX 79702	BID DISCOUNT SUBTOTAL TAX INVOICE TOTAL	-2,743.83 9,185.87 292.97 9,478.84
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BASIC

energy services, L.P.

FIELD ORDER 17872

Subject to Correction

Date	7-20-08	Customer ID		Lease	Paxton/Kubik Unit	Well #	-21	Legal	21-345-11W
				County	Barber	State	KS	Station	Pratt
C H A R G E	Val Energy, Incorporated			Depth	Formation			Shoe Joint	36.26 Feet
	Casing		5 1/2 14Lb	Casing Depth	4,847 Feet	TD	4,850 Feet	Job Type	C.N.W. - Longstring
	Customer Representative				Russell Myers		Trainer	Clarence R. Messick	

AFE Number		PO Number		Materials Received by	X R Myers	Dr:
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Station Code	Product Code	QUANTITY	MATERIALS, EQUIPMENT, and SERVICES USED	UNIT PRICE	AMOUNT
P	CP105	125sk	AA-2	—	\$ 2,075.00
P	CP103	25sk	60/40 Poz	—	\$ 275.00
P	CC105	30Lb	Defoamer	—	\$ 120.00
P	CC111	601Lb	Salt (Fine)	—	\$ 300.50
P	CC115	118Lb	Gas Blok	—	\$ 607.70
P	CC129	95Lb	FLA-322	—	\$ 712.50
P	CC201	625Lb	Gilsonite	—	\$ 418.75
P	CC155	1,000Gal	Super Flush II	—	\$ 1,530.00
P	CF103	1ea	Top Rubber Plug, 5 1/2"	—	\$ 105.00
P	CF251	1ea	Regular Guide Shoe, 5 1/2"	—	\$ 250.00
P	CF1451	1ea	Insert Float Valve, 5 1/2"	—	\$ 215.00
P	CF1651	5ea	Turbolizer, 5 1/2"	—	\$ 550.00
P	CF1901	1ea	Basket, 5 1/2"	—	\$ 290.00
P	E101	90mi	Heavy Equipment Mileage		\$ 630.00
P	E113	315tm	Bulk Delivery		\$ 504.00
P	E100	45mi	Pickup Mileage		\$ 191.25
P	CE240	150sk	Blending and Mixing Service		\$ 210.00
P	S003	1ea	Service Supervisor		\$ 175.00
P	CE205	1ea	Depth Charge: 4,001 Feet To 5,000 Feet		\$ 2,520.00
P	CE504	1 Job	Plug Container		\$ 250.00

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\$ 9,185.87

Discounted Price =
Plus Taxes

CONSERVATION DIVISION
WICHITA, KS

TOTAL

BASIC

energy services, L.P.

TREATMENT REPORT

Customer Val Energy, Incorporated	Lease No. dated	Date 7-20-08
Lease Haxton/Kubik Unit	Well # 1-21	
Field Order # 1872	Station Pratt	Casing 5 1/2 14 Lb.
Type Job C.N.W. - Long string	Depth 4,849 Feet	County Barber
	Formation	State KS
		Legal Description 21-345-11W

PIPE DATA		PERFORATING DATA		FEED-USED		TREATMENT RESUME	
Casing Size 5 1/2 14 Lb.	Tubing Size	Shots/Ft	125 sacks	AA-2 with	2.5% Detoamer	RATED PRESS	ISIP
Depth 4,849 Feet	Depth	From	To	108 sacks	1.8 Gas Blo	Max	5 Min.
Volume 18.3 Bbl.	Volume	From	To	607 40 Poz	to plug	Min	10 Min.
Max Press 1,500 P.S.I.	Max Press	From	To	117.5 Bbl.	Fresh Water	Avg	15 Min.
Well Connection 1 1/2" Cont. Annular	Annulus Vol.	From	To	Flush		FHP Used	Annulus Pressure
Plug Depth 4,849 Feet	Packer Depth	From	To			Gas Volume	Total Load

Customer Representative Russell Myers	Station Manager David Scott	Treater Clarence R. Messick
Service Units 19,870	19,903	19,905
Driver Names Messick	Mattal	Shields

Time	Casing Pressure	Tubing Pressure	Bbls. Pumped	Rate	Service Log
11:00 AM					Cementer and Float Equipment on location.
12:00 PM					Trucks on location and hold safety meeting.
1:00					Val Drilling start to run Regular Guide Shoe, Shoe Joint with Auto Fill Insert screwed into collar and a total of 110 Joints new 14 Lb./Ft. 5 1/2" casing. Ran Basket on Joint #4. Ran Turbo lizer on collars # 1, 6, 8, 10, and # 12.
4:00					Casing in well. Circulate for 1 hour.
5:00	300		6	6	Start Fresh Water Pre-Flush.
			10	6	Start Super Flush II.
			34	5	Start Fresh Water Spacer.
5:10	300		37	5	Start to mix 125 sacks AA-2 cement.
	-0-		67		Stop pumping. Shut in well. Wash pump and lines. Release Top Rubber Plug. Open Well.
5:20	100			6.5	Start Fresh Water Displacement.
			105	5	Start to lift cement.
5:40	700		117.5		Plug Down.
	1,500				Pressure up.
					Release pressure. Insert hold.
	-0-		4-3	3	Plug Rat and Mouse holes.
					Wash up pump truck.
6:15					Job Complete.
					Thank You.
					Clarence, Mike, Bill

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