

Operator Name: VAL ENERGY, INC Lease Name: NELSON Well #: 1-24
 Sec. 24 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No | Formation (Top), Depth and Datum <table border="0"> <tr> <td>Name</td> <td>Top</td> <td>Datum</td> </tr> <tr> <td>STALNAKER</td> <td>3956</td> <td>-2603</td> </tr> <tr> <td>STARK</td> <td>4360</td> <td>-3007</td> </tr> <tr> <td>HUSHPUCKNEY</td> <td>4396</td> <td>-3043</td> </tr> <tr> <td>B/KC</td> <td>4431</td> <td>-3078</td> </tr> <tr> <td>MARMATON</td> <td>4468</td> <td>-3115</td> </tr> <tr> <td>CHEROKEE</td> <td>4593</td> <td>-3240</td> </tr> <tr> <td>EROSIONAL MISSISSIPPIAN</td> <td>4687</td> <td>-3334</td> </tr> </table> | Name | Top | Datum | STALNAKER | 3956 | -2603 | STARK | 4360 | -3007 | HUSHPUCKNEY | 4396 | -3043 | B/KC | 4431 | -3078 | MARMATON | 4468 | -3115 | CHEROKEE | 4593 | -3240 | EROSIONAL MISSISSIPPIAN | 4687 | -3334 | <input type="checkbox"/> Sample |
| Name | Top | | Datum | | | | | | | | | | | | | | | | | | | | | | | | |
| STALNAKER | 3956 | | -2603 | | | | | | | | | | | | | | | | | | | | | | | | |
| STARK | 4360 | | -3007 | | | | | | | | | | | | | | | | | | | | | | | | |
| HUSHPUCKNEY | 4396 | | -3043 | | | | | | | | | | | | | | | | | | | | | | | | |
| B/KC | 4431 | -3078 | | | | | | | | | | | | | | | | | | | | | | | | | |
| MARMATON | 4468 | -3115 | | | | | | | | | | | | | | | | | | | | | | | | | |
| CHEROKEE | 4593 | -3240 | | | | | | | | | | | | | | | | | | | | | | | | | |
| EROSIONAL MISSISSIPPIAN | 4687 | -3334 | | | | | | | | | | | | | | | | | | | | | | | | | |
| 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 checked="" type="checkbox"/> No | | | | | | | | | | | | | | | | | | | | | | | | | | |
| List All E. Logs Run: <i>acid LITHOLOGY STRIP LOG</i> | | | | | | | | | | | | | | | | | | | | | | | | | | | |

KW
MM
1/6/09

| 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 | 217 | 60/40 POZ | 195 | 2% GEL, 3% CC |
| | | | | | | | |
| | | | | | | | |

| 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 checked="" type="checkbox"/> Plug Back TD <input type="checkbox"/> Plug Off Zone | 0-600 | 60/40 POZ | 145 | 4% GEL |
| | | | | |

| 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 |
|----------------|---|--|-------|
| | | | |
| | | | |
| | | | |
| | | | |

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| | | | | |
|---|-----------|--|--|-----------------------|
| TUBING RECORD: Size: _____ Set At: _____ Packer At: _____ | | Liner Run: <input type="checkbox"/> Yes <input type="checkbox"/> No | CONSERVATION DIVISION WICHITA, KS | |
| Date of First, Resumed Production, SWD or Enhr. _____ | | Producing Method: <input 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 |

| | | |
|---|---|--|
| DISPOSITION OF GAS: <input type="checkbox"/> Vented <input 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 type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input checked="" type="checkbox"/> Other (Specify) <u>PLUG & ABANDONED</u> | PRODUCTION INTERVAL: _____ _____ |
|---|---|--|



24 S. Lincoln Street
 P.O. Box 31
 Russell, KS 67665-2906
 Voice: (785) 483-3887
 Fax: (785) 483-5566

INVOICE

Invoice Number: 116628
 Invoice Date: Oct 17, 2008
 Page: 1

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

9233

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| Customer ID | Well Name# or Customer P.O. | Payment Terms | |
|--------------|-----------------------------|---------------|----------|
| Val | Nelson #1-24 | Net 30 Days | |
| Job Location | Camp Location | Service Date | Due Date |
| KS1 | Medicine Lodge | Oct 17, 2008 | 11/16/08 |

| Quantity | Item | Description | Unit Price | Amount |
|--|------|-----------------------------------|------------|----------|
| 87.00 | MAT | Class A Common | 15.45 | 1,344.15 |
| 58.00 | MAT | Pozmix | 8.00 | 464.00 |
| 5.00 | MAT | Gel | 20.80 | 104.00 |
| 150.00 | SER | Handling | 2.40 | 360.00 |
| 23.00 | SER | Mileage 150 sx @.10 per sk per mi | 15.00 | 345.00 |
| 1.00 | SER | Rotary Plug | 1,017.00 | 1,017.00 |
| 23.00 | SER | Mileage Pump Truck | 7.00 | 161.00 |
| <p style="font-size: 1.5em; margin: 0;"><i>Pump Cement, Rotary Plug, L plugs</i></p> | | | | |

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 JAN 02 2009
 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

\$ 3795.15

ONLY IF PAID ON OR BEFORE

Nov 16, 2008

| | |
|------------------------|-----------------|
| Subtotal | 3,795.15 |
| Sales Tax | 239.09 |
| Total Invoice Amount | 4,034.24 |
| Payment/Credit Applied | |
| TOTAL | 4,034.24 |



24 S. Lincoln Street
 P.O. Box 31
 Russell, KS 67665-2906
 Voice: (785) 483-3887
 Fax: (785) 483-5566

INVOICE

Invoice Number: 116517
 Invoice Date: Oct 8, 2008
 Page: 1

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

RECEIVED
 OCT 16 2008

9208

| Customer ID | Well Name# or Customer P.O. | Payment Terms | |
|--------------|-----------------------------|---------------|----------|
| Val | Nelson #1-24 | Net 30 Days | |
| Job Location | Camp Location | Service Date | Due Date |
| KS1 | Medicine Lodge | Oct 8, 2008 | 11/7/08 |

| Quantity | Item | Description | Unit Price | Amount |
|----------|------|------------------------------------|------------|----------|
| 117.00 | MAT | Class A Common | 15.45 | 1,807.65 |
| 78.00 | MAT | Pozmix | 8.00 | 624.00 |
| 3.00 | MAT | Gel | 20.80 | 62.40 |
| 6.00 | MAT | Chloride | 58.20 | 349.20 |
| 204.00 | SER | Handling | 2.40 | 489.60 |
| 23.00 | SER | Mileage 204 sx @ .10 per sk per mi | 20.40 | 469.20 |
| 1.00 | SER | Surface | 1,018.00 | 1,018.00 |
| 23.00 | SER | Mileage Pump Truck | 7.00 | 161.00 |
| 1.00 | SER | Head Rental | 113.00 | 113.00 |
| 1.00 | EQP | Top Wooden Plug | 68.00 | 68.00 |

surface casing cement

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 JAN 02 2009
 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

\$ 516.00

ONLY IF PAID ON OR BEFORE

Nov 7, 2008

| | |
|------------------------|-----------------|
| Subtotal | 5,162.05 |
| Sales Tax | 183.41 |
| Total Invoice Amount | 5,345.46 |
| Payment/Credit Applied | |
| TOTAL | 5,345.46 |

ALLIED CEMENTING CO., LLC. 32505

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

SERVICE POINT:
Medicine Lodge

| | | | | | | | |
|--|---------------|--------------------|-------------------|---|-----------------------------|---------------------------|-----------------------------|
| DATE <u>10-08-08</u> | SEC <u>24</u> | TWP. <u>34 S</u> | RANGE <u>11 W</u> | CALLED OUT <u>0730 pm</u> | ON LOCATION <u>0900 pm.</u> | JOB START <u>11:15 pm</u> | JOB FINISH <u>11:30 pm.</u> |
| LEASE <u>Nelson</u> | | WELL # <u>1-24</u> | | LOCATION <u>281/2 Gerlsne, E/TO Berhel Rd, 3 1/2 S,</u> | | COUNTY <u>Barber</u> | STATE <u>KS</u> |
| OLD OR <input checked="" type="radio"/> NEW (Circle one) | | | | <u>E/TO CATTLE guard, N/INTO.</u> | | | |

CONTRACTOR Vgl #5

TYPE OF JOB Surface

HOLE SIZE 12 1/4" T.D. 220

CASING SIZE 8 5/8" 23 # DEPTH 217

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX 300 psi MINIMUM 100 psi.

MEAS. LINE _____ SHOE JOINT 20

CEMENT LEFT IN CSG. 20' per customer Request

PERFS. _____

DISPLACEMENT 12 1/2 Bbls Fresh Water

EQUIPMENT

OWNER Vgl Energies

CEMENT

AMOUNT ORDERED 195sx 60:40:2 + 38 cc

PUMP TRUCK CEMENTER Greg Grieve

360 HELPER Steve K

BULK TRUCK

421 DRIVER Larry J.

BULK TRUCK

_____ DRIVER _____

| | | | | | |
|----------|------------|----------|---|--------------|----------------|
| COMMON | <u>117</u> | <u>A</u> | @ | <u>15.45</u> | <u>1807.65</u> |
| POZMIX | <u>78</u> | | @ | <u>8.00</u> | <u>624.00</u> |
| GEL | <u>3</u> | | @ | <u>20.80</u> | <u>62.40</u> |
| CHLORIDE | <u>6</u> | | @ | <u>58.20</u> | <u>349.20</u> |
| ASC | | | @ | | |

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JAN 02 2009

CONSERVATION DIVISION
WICHITA, KS

| | | | | |
|----------|-----------------------|---|-------------|----------------|
| HANDLING | <u>204</u> | @ | <u>2.40</u> | <u>489.60</u> |
| MILEAGE | <u>23 x 204 x .10</u> | | | <u>469.20</u> |
| TOTAL | | | | <u>3802.05</u> |

REMARKS:

Pipe on Bottom, Break Circulation, Pump 5 bbls fresh, Pump cement, 195sx 60:40:2+38cc, Stop pumps, Release Plug, Start Disp., See lift, Slow Rate, Disp with 12 1/2 Bbls Fresh water, Shut in, Cement Circulated TO surface

* Thank you *

CHARGE TO: Vgl Energy

STREET _____

CITY _____ STATE _____ ZIP _____

SERVICE

| | | | | |
|--------------------|-------------|---|---------------|----------------|
| DEPTH OF JOB | <u>220'</u> | | | |
| PUMP TRUCK CHARGE | | | | <u>1018.00</u> |
| EXTRA FOOTAGE | | @ | | |
| MILEAGE | <u>23</u> | @ | <u>7.00</u> | <u>161.00</u> |
| MANIFOLD | | @ | | |
| <u>Head Rental</u> | <u>1</u> | @ | <u>113.00</u> | <u>113.00</u> |
| TOTAL | | | | <u>1292.00</u> |

8 5/8 PLUG & FLOAT EQUIPMENT

| | | | | |
|------------------------|----------|---|--------------|--------------|
| <u>Top wooden plug</u> | <u>1</u> | @ | <u>68.00</u> | <u>68.00</u> |
| | | @ | | |
| | | @ | | |
| | | @ | | |
| | | @ | | |
| TOTAL | | | | <u>68.00</u> |

To Allied Cementing Co., LLC.
You are hereby requested to rent cementing equipment and furnish cementer and helper(s) 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 and understand the "GENERAL TERMS AND CONDITIONS" listed on the reverse side.

PRINTED NAME x Leo Roberts

SIGNATURE x Leo Roberts

SALES TAX (If Any) _____

TOTAL CHARGES ~~3802.05~~

DISCOUNT IF PAID IN 30 DAYS

**ANY APPLICABLE TAX
WILL BE CHARGED
UPON INVOICING**