

ORIGINAL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form ACO-1
October 2008
Form Must Be Typed

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

OPERATOR: License # 33813

Name: JASON OIL COMPANY LLC

Address 1: P.O. BOX 701

Address 2: _____

City: RUSSELL State: KS Zip: 67665 + _____

Contact Person: JAMES SCHOENBERGER

Phone: (785) 483-4204

CONTRACTOR: License # 31548

Name: DISCOVERY DRILLING

Wellsite Geologist: FRANCIS WHISTLER

Purchaser: COFFEYVILLE

Designate Type of Completion:

- New Well _____ Re-Entry _____ Workover _____
 - Oil _____ SWD _____ SIOW _____
 - _____ Gas _____ ENHR _____ SIGW _____
 - _____ CM (Coal Bed Methane) _____ Temp. Abd. _____
 - _____ 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. _____ Conv. to SWD _____

_____ Plug Back: _____ Plug Back Total Depth _____

_____ Commingled _____ Docket No.: _____

_____ Dual Completion _____ Docket No.: _____

_____ Other (SWD or Enhr.?) _____ Docket No.: _____

05-22-09 05-31-09 06-08-09

Spud Date or Recompletion Date Date Reached TD Completion Date or Recompletion Date

API No. 15 - 065,23543-00-00

Spot Description: C N/2 SW/4

C N/2 SW/4 Sec. 5 Twp. 8 S. R. 24 East West

2030' Feet from North / South Line of Section

1340' Feet from East / West Line of Section

Footages Calculated from Nearest Outside Section Corner:

NE NW SE SW

County: RUSSELL

Lease Name: TEEL Well #: 1

Field Name: WILDCAT

Producing Formation: LKC

Elevation: Ground: 2358' Kelly Bushing: 2366'

Total Depth: 3890 Plug Back Total Depth: _____

Amount of Surface Pipe Set and Cemented at: 260' Feet

Multiple Stage Cementing Collar Used? Yes No

If yes, show depth set: 2074 Feet

If Alternate II completion, cement circulated from: 2074

feet depth to: SFC w/ 275 QMDC

AFZ-DG - 10/30/09 ^{sx cmt.}

Drilling Fluid Management Plan
(Data must be collected from the Reserve Pit)

Chloride content: 5600 ppm Fluid volume: 400 bbls

Dewatering method used: LET DRY AND BACKFILL PITS

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: James L. Schaefer

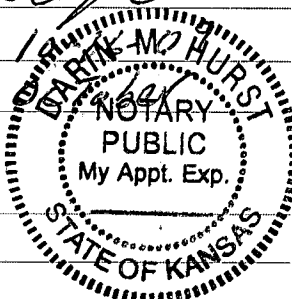
Title: PRESIDENT Date: 10/30/09

Subscribed and sworn to before me this 16th day of October

20 09

Notary Public: D. Hurst

Date Commission Expires: 9-19-2013



KCC Office Use ONLY

Letter of Confidentiality Received

If Denied, Yes Date: _____

Wireline Log Received

Geologist Report Received

_____ UIC Distribution

Operator Name: JASON OIL COMPANY LLC Lease Name: TEEL Well #: 1
 Sec. 5 Twp. 8 S. R. 24 East West County: RUSSELL

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 checked="" type="checkbox"/> Yes <input 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:	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td><input checked="" type="checkbox"/> Log</td> <td>Formation (Top), Depth and Datum</td> <td><input checked="" type="checkbox"/> Sample</td> </tr> <tr> <td>Name</td> <td>Top</td> <td>Datum</td> </tr> <tr> <td>ANHYDRITE</td> <td>2044</td> <td>+322</td> </tr> <tr> <td>TOPEKA</td> <td>3396</td> <td>-1030</td> </tr> <tr> <td>HEEBNER</td> <td>3600</td> <td>-1234</td> </tr> <tr> <td>TORONTO LIME</td> <td>3622</td> <td>-1256</td> </tr> <tr> <td>LKC</td> <td>3634</td> <td>-1268</td> </tr> <tr> <td>TOTALDEPTH</td> <td>3692</td> <td>-1526</td> </tr> </table>	<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input checked="" type="checkbox"/> Sample	Name	Top	Datum	ANHYDRITE	2044	+322	TOPEKA	3396	-1030	HEEBNER	3600	-1234	TORONTO LIME	3622	-1256	LKC	3634	-1268	TOTALDEPTH	3692	-1526
<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input checked="" type="checkbox"/> Sample																							
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LKC	3634	-1268																							
TOTALDEPTH	3692	-1526																							

CASING RECORD <input type="checkbox"/> New <input checked="" 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	260	COM	165	3%CC 2%GEL
PRODUCTION	7 7/8"	5 1/2"	15.5	3886	COM	200	PRO-C
PORT COLLAR				2074	QMDC	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 <i>(Amount and Kind of Material Used)</i>	Depth

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TUBING RECORD: Size: <u>2 7/8</u> Set At: <u>3862'</u> Packer At:		Liner Run: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Date of First, Resumed Production, SWD or Enhr. <u>06-08-09</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>50</u>	Gas Mcf <u>0</u>	Water Bbls. <u>0</u> Gas-Oil Ratio <u>38</u> Gravity <u>38</u>

DISPOSITION OF GAS: <input checked="" type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	METHOD OF COMPLETION: <input checked="" type="checkbox"/> Open Hole <input type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTERVAL: _____ _____
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QUALITY OILWELL CEMENTING, INC.

Phone 785-483-2025
Cell 785-324-1041

Home Office P.O. Box 32 Russell, KS 67003

No. 3237

Date	5-22-09	Sec.	5	Twp.	8	Range	24	County	Graham	State	Ks	On Location		Finish	5:30	
Lease	TEEL		Well No.	1		Location 1611 CITY KS 10W to 170 Rd										
Contractor	DISCOVERY OILS #1							Owner 1/2 N FARMYARD E to Gate 5 into								
Type Job	8 5/8 SURFACE							To Quality Oilwell Cementing, Inc. You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as listed.								
Hole Size	12 1/4		T.D.	261		Charge To JASON OIL Co.										
Csg.	8 5/8		Depth	260		Street										
Tbg. Size			Depth			City										
Drill Pipe			Depth			State										
Tool			Depth			The above was done to satisfaction and supervision of owner agent or contractor.										
Cement Left in Csg.			Shoe Joint	15'		CEMENT										
Press Max.			Minimum			Amount Ordered 165 sx										
Meas Line			Displace			Common 165 @ 10 00 1650 00										
Perf.						Poz. Mix										
EQUIPMENT												Gel. 3 @ 17.00 51.00				
Pumptrk	5	No.	Cementer	JOE		Calcium 6 @ 42.00 252.00										
Bulktrk	17	No.	Driver	JOE		Mills										
Bulktrk	PV	No.	Driver	TODD		Salt										
JOB SERVICES & REMARKS												Flowseal				
Pumptrk Charge	SURFACE		450 00													
Mileage	25 @ 6 00		150.00													
Footage																
Total 600.00												Handling 174 @ 1.75 304.50				
Remarks:	Run to H's 8 5/8 20 # csg												Mileage .08 PER SX PER MILE 400 00			
												Pump Truck Charge 600.00				
MIX Pump 165 sx Common 2% GEL 3% CC 15 GAL 1.36H3												FLOAT EQUIPMENT				
Disp No.0 Bbks total												Guide Shoe				
Close Valve on csg Good core thru JOE CORE OUT TO PIT												Centralizer				
Thanks TODD JOE! JOE												Baskets				
PLEASE CALL AGAIN												AFU Inserts				
Signature Cliff Mapp												RECEIVED OCT 29 2009 KCC WICHITA				
												Rotating Head				
												Squeez Mainfold				
												Tax 86.69				
												20% Discount (652.00)				
												Total Charge 1951.88				

QUALITY OILWELL CEMENTING, INC.

Phone 785-483-2025
Cell 785-324-1041

Home Office P.O. Box 32 Russell, KS 67665

No. 3167

Date	Sec.	Twp.	Range	County	State	On Location	Finish
5-31-09	5	8	24	Graham	Kansas		11/15 PM
Lease	Well No.		Location				
Tree	1		Hill City 10W to R 170				
Contractor				Owner			
Discoray Drilling Rig 1				1 1/2 N Farmyard E to Gate Sink			
Type Job				To Quality Oilwell Cementing, Inc.			
Long string				You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as listed.			
Hole Size		T.D.		Charge To			
7 7/8		3890		Jason Oil			
Csg.		Depth		Street			
5 1/2 15.50lb		3886					
Tbg. Size		Depth		City			
				State			
Drill Pipe		Depth		The above was done to satisfaction and supervision of owner agent or contractor.			
Tool		Depth		Amount Ordered			
Port Cellar #41		2074		CEMENT 10% Salt 200 Pro-C 5% Gilsank			
Cement Left in Csg.		Shoe Joint		Common			
22.66		22.66		200 @ 11.00			
Press Max.		Minimum		2200.00			
Meas. Line		Displace		Poz. Mix			
		9.2 BHs					
Perf.				Gel.			
				Calcium			
Pumptrk		No.		Mills			
1		Cement Helper		Salt			
8		Driver		25 @ 12.50			
8		Driver		312.50			
8		Driver		Flowseal KOL-SEAL 940 # @ .75			
8		Driver		705.00			
8		Driver		500 Gal Mud Clear 48			
8		Driver		400			
8		Driver		Total			
8		Driver		1400.00			
8		Driver		Handling			
8		Driver		225 @ 1.75			
8		Driver		393.75			
8		Driver		Mileage			
8		Driver		450.00			
8		Driver		Pump Truck Charge			
8		Driver		1400.00			
8		Driver		FLOAT EQUIPMENT			
8		Driver		Guide Shoe			
8		Driver		Centralizer			
8		Driver		5 Turbs 1 Regular			
8		Driver		345.00			
8		Driver		Baskets			
8		Driver		1 5 1/2 Basket			
8		Driver		175.00			
8		Driver		AFU Inserts			
8		Driver		1 Port Cellar			
8		Driver		1600.00			
8		Driver		1 Latch Down Assembly			
8		Driver		390.00			
8		Driver		1 AFU Guide Shoe			
8		Driver		215.00			
8		Driver		Rotating Head (Yes)			
8		Driver		125.00			
8		Driver		Squeez Mainfold			
8		Driver		Tax			
8		Driver		281.58			
8		Driver		20% Discount			
8		Driver		(1243.00)			
8		Driver		Total Charge			
8		Driver		7249.83			

EQUIPMENT		
Pumptrk	No.	Cement Helper
1		Steve
Bulktrk	No.	Driver
8		Blake
Bulktrk	No.	Driver
8		Brian

JOB SERVICES & REMARKS

Pumptrk Charge: prod string 1250.00
Mileage: 25 @ 6.00 150.00
Footage: 1400.00

Remarks:
30' x Port Hole
15' x Mouse Hole
Land plug @ 1200 psi
Float Head

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Signature: *[Handwritten Signature]*

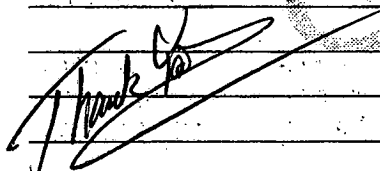
Tax 281.58
20% Discount (1243.00)
Total Charge 7249.83

QUALITY OILWELL CEMENTING, INC.

Phone 785-483-2025
785-324-1041

Home Office P.O. Box 32 Russell, KS 67665

No. 3171

Date	6-8-09	Sec.		Twp.		Range		County	GRAMAM	State	KS	On Location		Finish	4:00 PM
Lease	Teel	Well No.	1			Location Hill City 10W 15N E 100									
Contractor	Super Oilwell Service					Owner To Quality Oilwell Cementing, Inc. You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as listed.									
Type Job	Port Coll					Charge To Japan Oil Co									
Hole Size	7 7/8					T.D.									
Csg.	5 1/2					Depth									
Tbg. Size	2 3/8					Depth									
Drill Pipe						Depth									
Tool	Port Collar					Depth					2074				
Cement Left in Csg.						Shoe Joint					CEMENT				
Press Max.						Minimum					Amount Ordered				
Meas Line						Displace					375 QMBC 4 Flashed Used 275				
Perf.											Common 275 @ 13.00 3575.00				
EQUIPMENT															
Pumptrk	9	No.	Cementer	Steve		Gel.									
Bulktrk	4	No.	Helper	Steve		Calcium									
Bulktrk		No.	Driver	Tad		Mills									
Bulktrk		No.	Driver	Blender		Salt									
JOB SERVICES & REMARKS												Flowseal 93 @ 2.00 186.00			
Pumptrk Charge	port collar					750.00									
Mileage	25 @ 6.00					150.00									
Footage															
Total												900.00			
Remarks:	RBP @ 3000'										Handling 375 @ 1.75 656.25				
Circulate oil out of hole												Mileage 8 @ 62.50 per mile 500.00			
Pressure casing to psi												Pump Truck Charge 900.00			
Open tool & Break circulation												FLOAT EQUIPMENT			
2 Mix 5X												Guide Shoe			
												Centralizer			
												Baskets			
Close tool & pressure casing to psi												AFU Inserts			
Run 5 hrs & wash clean												RECEIVED OCT 29 2009 KCC WICHITA			
												Rotating Head			
												Squeeze Mainfold			
												Tax 167.00			
												Discount (1163.00)			
X Signature												Total Charge 4871.25			

FRANCIS C. WHISLER
CPG 1933
837 East First Street
Russell, Kansas

GEOLOGICAL REPORT

JASON OIL COMPANY, LLC.

Lic. No. 33813

3718 83rd. St. PO Box 701
Russell, Kansas

TEEL No. 1

2030' From South Line &
1340' From West Line

Sec. 5, Twp. 8 So. Rge. 24 West
Graham County, Kansas

June 1, 2009

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GEOLOGICAL REPORT for
JASON OIL COMPANY, LLC.
P. O. Box 701
Russell, Kansas

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GEOLOGICAL REPORT:

TEEL No. 1
1320' FSL & 1340' FWL
Sec. 5, T 8 S, R 24 W
Graham County, Kansas

CONTRACTOR:

Discovery Drilling, Inc.
Hays, Kansas

Lic. No. 31548

Drilling Commenced:

May 22, 2009

Drilling Completed:

May 31, 2009

Casing Record:

8 5/8" surface casing set at 260'
and cemented with 165 sx.
5 1/2" production casing set at
3887' and cemented with 200 sx.

Samples:

Saved and examined from 3400'
to 3890', RTD. Zones of interest
are described in this report. The
samples will be sent to the Kansas
Sample Bureau at 4150 Monroe St.
Wichita, Kansas.

Drilling Time:

Recorded and plotted from 3400'
to 3890', RTD. A copy of the
drilling time/lithology log is
included in this report.

Drillstem Tests:

Two by Trilobite Testing, Inc.
of Hays, Kansas.

Electric Logs:

By Superior Well Services of
Hays, Ks. Radiation-Guard, Micro,
Sonic, Dual Induction and Compen-
sated Density Neutron.

Elevations:

Kelly Bushing: 2366'
Ground Level: 2358
Measurements From: K. B.

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FORMATIONS:	ROTARY DEPTHS:	E. LOG DEPTHS:	DATUMS:
Anydrite	2044	2044	+ 322
Topeka Lime	No pick	3396	-1030
Heebner Shale	3600	3600	-1234
Toronto Lime	3624	3522	-1256
Lansing-Kansas City	3634	3634	-1268
Base of Kansas City	3844	3844	-1478
Total Depth	3890	3892	-1526

Lithology; Zones of Interest (corrected to log depths)

Topeka Lime: Numerous zones of soft and porous limestone but no shows of oil noted:

Toronto Lime:

3622-3631: LS-White, light gray, dense to chalky with no show of oil noted.

Lansing-Kansas City:

3634-3644: LS-white, dense to partly oolitic with no show of oil .
A zone noted.

3670-3678: LS-white, dense to partly oolitic and vuggy with some fair
B zone porosity. Some white chert. Minor oil stain with no free oil or odor. Possibly commercial. Not tested.

3684-3698: LS-white, some light gray and very dense with minor oil
C Zone stain. No free oil or odor. No value.

3700-3706: LS-Not identified as separate unit. Samples circulated
E zone at 3715 for F zone. Log shows porosity 3702-04. Micro shows no permeability. Ooen on drillstem test No. 1.

3710-3716: LS-white, dense to fair fossil and vuggy porosity, Fair
F zone oil stain, very slight show of free oil and faint odor. Tested by Drillstem Test No. 1,

DRILLSTEM TEST No. 1: 3691 to 3715:

Tool Open: 30 min. w/strong blow off bottom of bucket in 7 min.

Tool Shut In: 60 min. 3" blow back

Tool Open: 30 min. w/strong blow off BOB in 9 min.

Tool Shut In: 60 min. 3" blow back

For Recovery and Pressures; go to next page

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Lithology, cont...

DRILLSTEM TEST No. 1 Recovery: 645' of gas in pipe
195' of gas cut oil 80% oil
60' of gas cut oil 60% oil
120' of gas & mud cut oil 60% oil

IFP: 39-99psi
IBHP: 1128 psi
FFP: 108-157 psi
FBHP: 1105 psi

3718-3722: LS-very upper G zone; Slight porosity with white, dense
G zone with trace of oolitic lime and minor trace of oil stain.

3760-3774; LS-white, dense to oolitic and vuggy porosity (3760-66)
H zone with fair oil stain, very slight show of free oil and
faint odor. Tested by Drillstem Test No. 2.

3782-3786: LS-white, dense to slight oolitic & vuggy (from above?).
I zone Rare dark and dead oil stain. Very slight show of free
oil but no odor. Samples misleading, no value. Tested
by drillstem test No. 2

DRILLSTEM TEST No. 2: 3740 to 3792:

Tool Open: 30 min. with strong blow off
bottom of bucket in 5 min.
Tool Shut In: 60 min. with 2" blow back
Tool Open: 30 min. with blow off bottom
in 6 min.
Tool Shut in: 60 min. with 3" blow back.

Recovery: 180' gas cut oil 70% oil
270' gas cut oil 50% oil
120' gassy mud cut oil 50% oil

IFP: 57-141 psi
IBHP: 1288 psi
FFP: 158-234 psi
FBHP: 1260 psi

3796-3804: LS-white dense to slight vuggy, rare oil stain in trace of
J zone oolitic lime. No porosity and no show of free oil or
odor.

3812-3820: LS-white, some buff very fine dense with minor trace of
K zone oil stain. No free oil or odor. Porosity indicated.

3830-3840: LS-white, buff, light gray, buff dense to chalky with no
L zone oil stain noted. good porosity indicated.

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REMARKS & RECOMMENDATIONS:

It is very evident that the 3-D seismic predicted a very high structural anomaly in the South half of Sec. 5, 8s, 24 w in Graham County. The initial well (the Teel No. 1) ran considerably higher than predicted and good oil was recovered from the F zone and the H zone of the LKC. The well ran 7' higher than the nearest dry to the East, which recovered only mud and water on drillstem tests.

I believe that this structure should support several structurally high LKC wells on the lease.

RECOMMENDATIONS:

Based on the samples, the drillstem test results and the RAG and Micro logs I recommend that the H and the F zone be perforated for production. In addition, I recommend that the B zone be perforated for production at a later date.

It should be noted that the K and L zones have been very productive in the very high structural wells to the north and northeast. In the Teel No. 1, these zones did not have good permeability based on the Micro log, although the K zone may be considered for perforating and testing at some later date.

So: I recommend that the H zone be perforated from: 3762-66 &
F zone be perforated from: 3711-3716

Respectfully submitted;

Francis C. Whisler
Francis C. Whisler
Geologist