

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION
WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

ORIGINAL

Form ACO-1
September 1999
Form Must Be Typed

10/29/08

10/28/09

Operator: License # 5822
Name: VAL ENERGY, INC.
Address: 200 W. DOUGLAS SUITE 520
City/State/Zip: WICHITA, KS 67202
Purchaser: MACLASKEY
Operator Contact Person: TODD ALLAM
Phone: (316) 263-6688
Contractor: Name: VAL ENERGY, INC.
License: 5822

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Wellsite Geologist: STEVE VAN BUSKIRK
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. _____

<u>8/10/08</u>	<u>8/18/08</u>	<u>9/4/08</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 15-007-23319-8000
County: BARBER
SE NW NE Sec. 7 Twp. 34 S. R. 10 East West
495 feet from S / N (circle one) Line of Section
2145 feet from E / W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: SMITH/MARKAM Well #: 1-7
Field Name: UNKNOWN
Producing Formation: MISSISSIPPIAN
Elevation: Ground: 1422 Kelly Bushing: 1433
Total Depth: 4820 Plug Back Total Depth: 4819
Amount of Surface Pipe Set and Cemented at 236 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 cmt.

Drilling Fluid Management Plan APPINT-20-09
(Data must be collected from the Reserve Pit)
Chloride content 27000 ppm Fluid volume 600 bbls
Dewatering method used HAULED
Location of fluid disposal if hauled offsite: _____
Operator Name: VAL ENERGY, INC.
Lease Name: CATHY SWD License No.: 5822
Quarter NE Sec. 25 Twp. 33 S. R. 11 East West
County: BARBER Docket No.: D23329

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: 10/28/08
Subscribed and sworn to before me this 28 day of October
08
Notary Public: Brandi Wyer
Date Commission Expires: 2/24/2010

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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

CONSERVATION DIVISION
WICHITA, KS

Operator Name: VAL ENERGY, INC. Lease Name: SMITH/MARKAM Well #: 1-7
 Sec. 7 Twp. 34 S. R. 10 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	<input type="checkbox"/> Sample
Samples Sent to Geological Survey	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Name	Top	Datum
Cores Taken	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	STARK SHALE	4351	-2918
Electric Log Run <i>(Submit Copy)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	HUSHPUCKNEY SHALE	4387	-2954
List All E. Logs Run:		MARMATON	4419	-2986
		PAWNEE	4530	-3097
		CHEROKEE	4562	-3129
		LOWER CHEROKEE	4583	-3150
		MISSISSIPPIAN CONGLOMERATE	4620	-3185
		MISSISSIPPIAN & MISS. POROSITY	4632	-3098

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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	23	236	60/40 POZ	185	2% GEL, 3% CC
PRODUCTION	7 7/8	5 1/2	14	4819	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>	
		Amount and Kind of Material Used	Depth
1 SPF	4636-4647, 4653-4662	700 GAL 15% NE/FE ACID, 800 BBLs NITRO FOAM SLICK WATER & 19000 LBS SAND	4636-4662

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TUBING RECORD		Size	Set At	Packer At	Liner Run	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	CONSERVATION DIVISION WICHITA, KS
Date of First, Resumerd Production, SWD or Enhr. 10/3/08		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.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity		
	15	25					

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: 115539
Invoice Date: Aug 10, 2008
Page: 1

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

9208

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AUG 15 2008

Customer ID	Well Name# or Customer P.O.	Payment Terms	
Val	Smith Markuhm #1-7	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS1	Medicine Lodge	Aug 10, 2008	9/9/08

Quantity	Item	Description	Unit Price	Amount
111.00	MAT	Class A Common	15.45	1,714.95
74.00	MAT	Pozmix	8.00	592.00
3.00	MAT	Gel	20.80	62.40
6.00	MAT	Chloride	58.20	349.20
194.00	SER	Handling	2.40	465.60
22.00	SER	Mileage 194 sx @ .10 per sk per mi	19.40	426.80
1.00	SER	Surface	1,018.00	1,018.00
22.00	SER	Mileage Pump Truck	7.00	154.00
1.00	SER	Head Rental	113.00	113.00
1.00	EQP	Top Wooden Plug	68.00	68.00

Cement Surface Casing

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

\$ 496.39

ONLY IF PAID ON OR BEFORE

Sep 9, 2008

Subtotal	4,963.95
Sales Tax	175.55
Total Invoice Amount	5,139.50
Payment/Credit Applied	
TOTAL	5,139.50

\$ 496.39
4643.11

ALLIED CEMENTING CO., LLC. 32316

MITTÓ P.O. BOX 31
RUSSELL, KANSAS 67665

SERVICE POINT:
Medicine Lodge

DATE <u>8-10-08</u>	SEC <u>7</u>	TWP <u>34</u>	RANGE <u>10 W</u>	CALLED OUT <u>12:30 AM</u>	ON LOCATION <u>3:00 AM</u>	JOB START <u>4:00 AM</u>	JOB FINISH <u>4:30 AM</u>
LEASE <u>Markuhm</u>		WELL # <u>1-7</u>	LOCATION <u>Gerlain, Blacktop east to Barber</u>		COUNTY <u>KS.</u>	STATE <u>KS.</u>	
OLD OR <u>(NEW)</u> (Circle one)		LOCATION <u>Longtree Rd 1 south 1/2 west 5/8</u>					

CONTRACTOR Val Rig #5 OWNER Val Energy

TYPE OF JOB Surface

HOLE SIZE <u>12 1/4</u>	T.D. <u>241</u>
CASING SIZE <u>8 5/8</u>	DEPTH <u>236'</u>
TUBING SIZE	DEPTH
DRILL PIPE	DEPTH
TOOL	DEPTH
PRES. MAX <u>300</u>	MINIMUM
MEAS. LINE	SHOE JOINT
CEMENT LEFT IN CSG. <u>15'</u>	
PERFS.	
DISPLACEMENT <u>14 Bbls Freshwater</u>	

CEMENT AMOUNT ORDERED
185 sx 60:40:2%6eL + 3%cc

EQUIPMENT

PUMP TRUCK # <u>352</u>	CEMENTER <u>Carl Balding</u>
BULK TRUCK # <u>381</u>	HELPER <u>Mike Becker</u>
BULK TRUCK #	DRIVER <u>Newton Dyche</u>
BULK TRUCK #	DRIVER

COMMON	<u>111 A</u>	@	<u>15.45</u>	<u>1714.95</u>
POZMIX	<u>74</u>	@	<u>8.00</u>	<u>592.00</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		@		
HANDLING	<u>194</u>	@	<u>2.40</u>	<u>465.60</u>
MILEAGE	<u>22 x 194 x .10</u>			<u>426.80</u>
TOTAL				<u>3610.95</u>

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REMARKS:

Run 236' 8 5/8 Casing. Break Circulation. Mix + pump 185 sx Cement stop pumps + Release plug Displace with 14 Bbls Freshwater leave 15' Cement in Casing + shut in. Cement did circulate

SERVICE

DEPTH OF JOB	<u>236'</u>			
PUMP TRUCK CHARGE			<u>1018.00</u>	
EXTRA FOOTAGE		@		
MILEAGE	<u>22</u>	@	<u>7.90</u>	
MANIFOLD		@		
<u>Head Rental</u>		@	<u>113.00</u>	
TOTAL				<u>1285.00</u>

CHARGE TO: Val Energy

STREET _____

CITY _____ STATE _____ ZIP _____

8 5/8" PLUG & FLOAT EQUIPMENT

<u>1-TWP</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 Randy Smith

SIGNATURE Randy Smith

SALES TAX (If Any) _____

TOTAL CHARGES ~~_____~~

DISCOUNT ~~_____~~ IF PAID IN 30 DAYS

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



PAGE 1 of 2	CUST NO 1970-VAL002	INVOICE DATE 08/18/2008
INVOICE NUMBER 1970002372		

Pratt

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

J O B S I T E
 LEASE NAME
 WELL NO.
 COUNTY
 STATE
 JOB DESCRIPTION
 JOB CONTACT

Smith-Markam
 1-7
 Barber
 KS
 Cement-New Well Casing/Pipe

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JOB #	EQUIPMENT #	PURCHASE ORDER NO.	TERMS	DUE DATE
1970-02378	301		Net 30 DAYS	09/17/2008
For Service Dates: 08/16/2008 to 08/16/2008				
1970-02378				
1970-17891	Cement-New Well Casing	8/16/08		
Pump Charge-Hourly			1.00 Hour	2520.000 2,520.00
Depth Charge; 4001'-5000'				
Cementing Head w/Manifold			1.00 EA	250.000 250.00
Plug Container Utilization Charge				
Cement Float Equipment			1.00 EA	215.000 215.00
Flapper Type Insert Float Valves				
Cement Float Equipment			1.00 EA	250.000 250.00
Guide Shoe-Regular				
Cement Float Equipment			1.00 EA	105.000 105.00
Top Rubber Cement Plug				
Cement Float Equipment			5.00 EA	110.000 550.00
Turbolizer				
Mileage			150.00 DH	1.400 210.00
Blending and Mixing Service Charge				
Mileage			90.00 DH	7.000 630.00
Heavy Equipment Mileage				
Mileage			315.00 DH	1.600 504.00
Proppant and Bulk Delivery Charges				
Pickup			45.00 Hour	4.250 191.25
Unit Mileage Charge(Pickups, Vans, or Cars)				
Additives			30.00 EA	4.000 120.00 T
De-foamer				
Additives			95.00 EA	7.500 712.50 T
FLA-322				
Additives			118.00 EA	5.150 607.70 T
Gas-Blok				
Additives			625.00 EA	0.670 418.75 T
Gilsonite				
Additives			601.00 EA	0.500 300.50 T
Salt				
Additives			1,000.00 EA	1.530 1,530.00 T
Super Flush II				

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Pratt

PAGE 2 of 2	CUST NO 1970-VAL002	INVOICE DATE 08/18/2008
INVOICE NUMBER 1970002372		

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**B
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 VAL ENERGY
 200 W. DOUGLAS
 SUITE 520
 WICHITA KS 67202
 ATTN:

**J
O
B
S
I
T
E**
 LEASE NAME Smith-Markam
 WELL NO. 1-7
 COUNTY Barber
 STATE KS
 JOB DESCRIPTION Cement-New Well Casing/Pipe:
 JOB CONTACT

JOB #	EQUIPMENT #	PURCHASE ORDER NO.		TERMS	DUE DATE
1970-02378	301			Net 30 DAYS	09/17/2008
		QTY	U of M	UNIT PRICE	INVOICE AMOUNT
Cement		25.00	EA	12.000	300.00 T
60/40 POZ					
Cement		125.00	EA	17.000	2,125.00 T
AA2 Cement					
Supervisor		1.00	Hour	175.000	175.00
Service Supervisor Charge					

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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	-2,694.38
SUBTOTAL	9,020.32
TAX	296.60
INVOICE TOTAL	9,316.92

BASIC

energy services, L.P.

FIELD ORDER 17891

Subject to Correction

Date 8-16-08		Customer ID		Lease Smith-Markam	Well # 1-7	Legal 7-345-10W	
Val Energy, Incorporated		County Barber	State KS	Station Pratt			
C H A R G E	Depth	Formation		Shoe Joint 39.65 Feet			
	Casing 5 1/2"	Casing Depth 4,819 Feet	TD 4,824 Ft.	JOB Type C.N.W. - Longstring			
	Customer Representative Russell Myers		Treater Clarence R. Messick				

AFE Number	PO Number	Materials Received by X	<i>R Myers</i>	DLS
------------	-----------	--------------------------------	----------------	-----

Station Code	Product Code	QUANTITY	MATERIALS, EQUIPMENT, and SERVICES USED	UNIT PRICE	AMOUNT
P	CP105	125sk	AA-2 KCC	—	\$ 2,125.00
P	CP103	25sk	60/40 Poz OCT 28 2008	—	\$ 300.00
P	CC105	30Lb	Defoamer CONFIDENTIAL	—	\$ 120.00
P	CC111	60Lb	Salt (Fine) RECEIVED	—	\$ 300.50
P	CC115	118Lb	Gas Blok KANSAS CORPORATION COMMISSION	—	\$ 607.70
P	CC129	95Lb	FLA-322 OCT 29 2008	—	\$ 712.50
P	CC201	625Lb	Gilsonite CONSERVATION DIVISION	—	\$ 418.75
			WICHITA, KS		
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	E101	90 mi	Heavy Equipment Mileage		\$ 630.00
P	E113	315tm	Bulk Delivery		\$ 504.00
P	E100	45 mi	Pickup Mileage		\$ 191.25
P	CE240	150sk	Blending and Mixing Service		\$ 210.00
P	5003	1ea	Service Supervisor		\$ 175.00
P	CE205	1ea	Pump Charge : 4,000 Feet To 5,000 Feet		\$ 2,520.00
P	CF504	1 Job	Plug Container		\$ 250.00
			Discounted Price =		\$ 9,020.32
			Plus Taxes		

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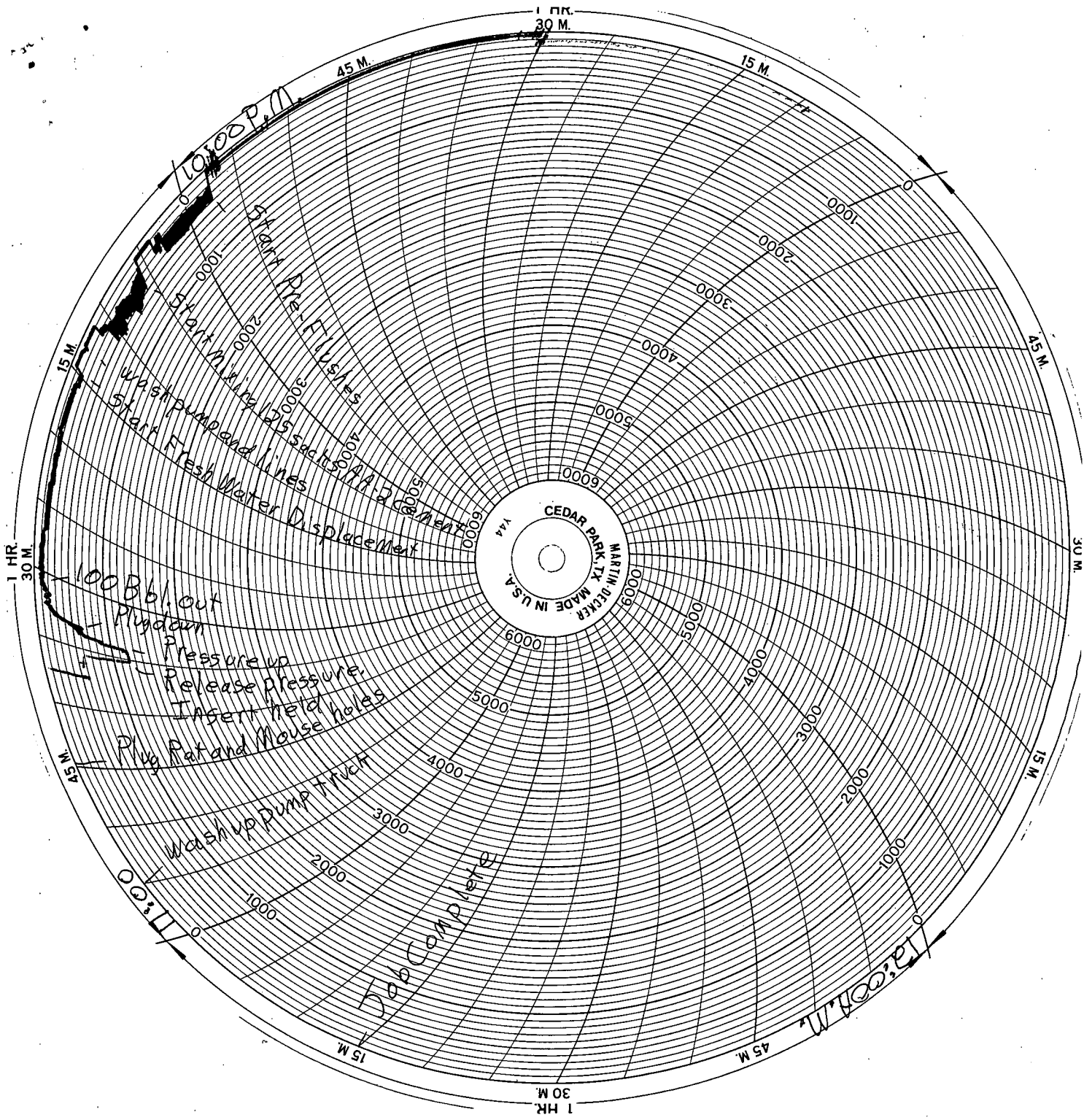
TREATMENT REPORT

Customer Val Energy, Incorporated	Lease No.	Date 8-16-08
Lease Smith-Markam	Well # 1-7	
Field Order # 12891	Station Pratt	Casing 5 1/2" Depth 14Lb. 1,819 Ft.
Type Job C.N.W. - Longstring	Formation	County Barber State KS
		Legal Description 2-345-10W

PIPE DATA		PERFORATING DATA		FLUID USED		TREATMENT RESUME	
Casing Size 5 1/2" 14Lb.	Tubing Size	Shots/Ft 12.5	sacks	AA-2 with	2.5	DATE	PAESS
Depth 1,819 Feet	Depth	From 108	Gal.	Gas Blok, 5Lb.	Max	Determer.	ISIB
Volume 11.6 Bbl.	Volume	From 15.3	Lb./Gal.	5.74 Gal./sk.	Min	5K Gilsonite	5 Min.
Max Press 1,500 P.S.I.	Max Press	From 2.5	sacks	40 Poz to plug	Avg	Rat and Mouse holes	10 Min.
Well Connection Plug Container	Annulus Vol.	From	To		HHP Used		Annulus Pressure
Plug Depth 1,774 Feet	Packer Depth	From	To	Flush 16.8 Bbl.	Gas Volume	Fresh Water	Total Load

Customer Representative Russell Myers	Station Manager David Scott	Treater Clarence R. Messick
Service Units 19,870 19,903 19,905 19,832 21,010		
Driver Names Messick Mattal LaChance		

Time	Casing Pressure	Tubing Pressure	Bbls. Pumped	Rate	Service Log
5:00					Cement enter and float equipment on location.
6:00					Truck on location and hold safety meeting.
6:45					Val Drilling start to run Regular Guide Shoe, Shoe Joint with Auto Fill Insert screwed into collar and a total of 123 Joints new 14Lb./Ft 5 1/2" casing. Ran Turbolizers on Collars #1, 3, 5, 8 and #10.
9:05					Casing in well. Circulate for 45 minutes.
10:00	400			6	Start Fresh Water Pre-Flush.
	5		20	6	Start Super Flush II.
			44	5	Start Fresh Water Spacer.
10:07	400		47	5	Start mixing 12.5 sacks AA-2 cement.
	-0-		77		Stop pumping. Shut in well. Wash pump and lines. Release Top Rubber Plug. Open well.
10:16	100			6.5	Start Fresh Water Displacement.
			100	5	Start to lift cement.
10:35	600				Plug down.
	1,500				Pressure up.
					Release pressure. Insert held.
	-0-		4-3	3	Plug Rat and Mouse holes.
					Wash up dump truck.
11:15					Job Complete.
					Thank You.
					Clarence. Mike. Stephen



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