

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 # 33594
Name: Quito, Inc.
Address 1: 1613 W. 6th St.
Address 2: _____
City: Bartlesville State: OK Zip: 74003 + _____
Contact Person: Mark W. McCann
Phone: (918) 337-4747
CONTRACTOR: License # 5831
Name: M.O.K.A.T
Wellsite Geologist: _____

Purchaser: Pacer & Bluestem
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.: _____
10-7/09 10-30-09
Spud Date or _____ Date Reached TD _____ Completion Date or _____
Recompletion Date _____ Recompletion Date _____

API No. 15 - 019-26976-00-00
Spot Description: _____
NE SE SE Sec. 21 Twp. 33 S. R. 12 East West
990 Feet from North / South Line of Section
330 Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Chautauqua
Lease Name: Raymon Well #: M-1
Field Name: Peru-Sedan
Producing Formation: Mississippi
Elevation: Ground: 794 Kelly Bushing: _____
Total Depth: 1592 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at: 45 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 AH II NCR 1-6-10
(Data must be collected from the Reserve Pit)
Chloride content: _____ ppm Fluid volume: _____ bbls
Dewatering method used: _____
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: _____
Title: President Date: 11-15-09
Subscribed and sworn to before me this 15th day of November,
20 09.
Notary Public: Colene Servant
Date Commission Expires: October 01, 2012

COLENE SERVANT
Notary Public, State of Oklahoma
Commission # 08010163
My Commission Expires October 01, 2012

KCC Office Use ONLY
 Letter of Confidentiality Received
If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution

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KCC WICHITA

Operator Name: Quito, Inc. Lease Name: Raymon Well #: M-1
 Sec. 21 Twp. 33 S. R. 12 East West County: Chautauqua

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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No (Attach Additional Sheets) 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No (Submit Copy) List All E. Logs Run: | <input type="checkbox"/> Log Formation (Top), Depth and Datum <input checked="" type="checkbox"/> Sample Name <u>MISS</u> Top <u>1565</u> Datum <u>1592</u> RECEIVED KANSAS CORPORATION COMMISSION DEC 10 2009 CONSERVATION DIVISION WICHITA, KS |
|--|--|

| 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 |
| <u>SURF.</u> | | <u>8 5/8"</u> | | <u>45</u> | <u>Portland</u> | <u>8</u> | |
| <u>PROD</u> | | <u>4 1/2</u> | <u>9.5</u> | <u>1565</u> | <u>1 # 11</u> | <u>220</u> | |
| | | | | | | | |

| 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 (Amount and Kind of Material Used) | Depth |
|----------------|---|---|----------------|
| | | <u>1250 gal. 15% HCL</u> | <u>1565-92</u> |
| | | <u>1000# 20/40 Frac Sand</u> | |
| | | <u>45 Barrels Geled fresh water with KCL</u> | |
| | | | |

TUBING RECORD: Size: 2 3/8 Set At: 1570 Packer At: _____ Liner Run: Yes No

Date of First, Resumed Production, SWD or Enhr. _____ Producing Method: Flowing Pumping Gas Lift Other (Explain) _____

| | | | | | |
|-----------------------------------|--------------------------|----------------------------------|--|---------------|---------|
| Estimated Production Per 24 Hours | Oil Bbls. <u>Well</u> | Gas Mcf <u>Not pumped yet</u> | Water Bbls. <u>Well not producing yet</u> | Gas-Oil Ratio | Gravity |
|-----------------------------------|--------------------------|----------------------------------|--|---------------|---------|

| | | |
|---|---|--|
| DISPOSITION OF GAS: <input type="checkbox"/> Vented <input checked="" type="checkbox"/> Sold <input type="checkbox"/> Used on Lease (If vented, Submit ACO-18.) | 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: <u>1565-1592</u> |
|---|---|--|

Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

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Quito, Inc.
1613 W. 6th Street
Bartlesville, OK 74003-3712
918-337-4747

December 17, 2009

Kansas Corporation Commission
Oil & Gas Conservation Division
130 S. Market Street, Room 2078
Wichita, KS 67202-3802

Attn: Marjorie Marcotte
Production Department

Re: RAYMON M-1 API Well No. 15-019-26976-00-00
NESESE, 21-33S-12E
Chautauqua County, Kansas

Dear Marjorie,

Enclosed please find the ACO-1 Well completion form with all corrections made. Attached are copies of all supporting documents and a copy of the letter sent December 11, 2009.

If you have any questions, please contact our office at 918-337-4747.

Thank you,



Colene Servant- Administrative Assistant
Quito, Inc.

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Quito, Inc.
1613 W. 6th Street
Bartlesville, OK 74003-3712
918-337-4747

December 7, 2009

Kansas Corporation Commission
Oil & Gas Conservation Division
130 S. Market Street, Room 2078
Wichita, KS 67202

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CONSERVATION DIVISION
WICHITA, KS

Re: Raymon lease- 21-33-12E
Chautauqua County, Kansas

RI: 15-019-26976-0000

Dear Sirs,

Enclosed please find the ACO-1 Well completion form, for well *RAYMON* M-1.
Attached are copies of the cementing tickets.

If you have any questions, please contact our office at 918-337-4747.

Thank you,

*KAC
12/10/09*

Colene Servant- Administrative Assistant
Quito, Inc.

File: Misc. Invoices



M.O.K.A.T. Drilling Inc.

P.O. BOX 590

Caney, KS 67333

Phone: (620)879-5377 Cell: (620)252-8338

"For All Your Drilling Needs"
Specializing In Coal Gas

Invoice

| DATE | INVOICE NO. |
|------------|-------------|
| 10/15/2009 | 1222 |

| |
|--|
| BILL TO |
| QUITO INC 1613 WEST 6TH ST. BARTLESVILLE, OK 74003 |

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DEC 10 2009

CONSERVATION DIVISION
WICHITA, KS

| |
|----------|
| P.O. No. |
| |

| | |
|----------|--------|
| WELL No. | LEASE |
| M-1 | RAYMON |

| DESCRIPTION | QTY | RATE | AMOUNT |
|---------------------------------|-------|-------|-----------|
| 1565' DRILLED AT \$7.50 PER FT. | 1,565 | 7.50 | 11,737.50 |
| 8 5/8" CASING. | 45 | 24.50 | 1,102.50 |
| PORTLAND CEMENT | 8 | 16.00 | 128.00 |
| SAMPLE BAGS | 153 | 0.50 | 76.50 |

*Ch. # 11990
10/19/09
13,044.50*

| | | |
|-----------------------------|--------------|-------------|
| THANK YOU FOR YOUR BUSINESS | Total | \$13,044.50 |
|-----------------------------|--------------|-------------|

Oilwell Cementers, Inc.

P.O. Box 510

Healdton, Ok 73438

Phone: 580-229-1776 Fax: 580-229-2114

Invoice

Invoice #: 29347-LS.

Invoice Date: 10/25/2009

Due Date: 10/25/2009

Bill To:

McCann Companies
1613 W. 6th St.
Bartlesville, Ok. 74003

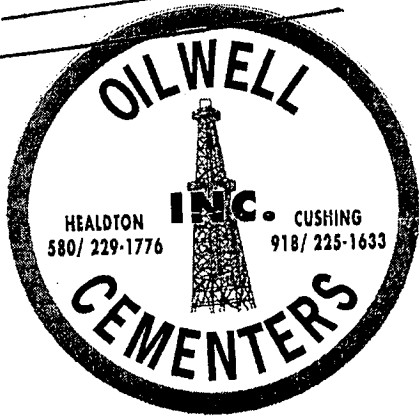
| | |
|-------|-----|
| Terms | |
| Rep | CQL |

LEASE: RAYMOND M-1

| Hours/Qty | Item | Description | Rate | Amount |
|-----------|--------|--------------------------------|----------|-----------|
| 220 | CEC | Regular Cement | 10.50 | 2,310.00T |
| 400 | CAC | Calcium Chloride | 0.60 | 240.00T |
| 1 | RP4 | Rubber Plug 4 1/2" | 55.00 | 55.00T |
| 220 | DDUMP | Dump | 4.00 | 880.00 |
| 1 | PC4 | 4 1/2" PLUG CONTAINER | 250.00 | 250.00 |
| 95 | GG | Mileage Charge | 4.00 | 380.00 |
| 1 | TRUCK | Truck | 695.00 | 695.00 |
| 1 | PERMIT | Permits Kansas | 109.00 | 109.00 |
| -1 | CREDIT | ***CREDIT***CREDIT***CREDIT*** | 1,259.06 | -1,259.06 |

PAID

CK NO. _____
DATE _____



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DEC 10 2009

CONSERVATION DIVISION
WICHITA, KS

| | |
|------------------|------------|
| Subtotal | \$3,659.94 |
| Sales Tax (4.5%) | \$117.23 |
| Balance Due | \$3,777.17 |

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11/20/09



Invoice/Bill of Lading

EMERGENCY 24 HOUR RESPONSE
1-800-535-5053

PO Box 542
Winfield, KS 67156
Ph: 620-221-7524 Fax: 620-221-7514

| Date | Invoice# |
|------------|----------|
| 11/30/2009 | 2769 |

| |
|--|
| Bill To |
| Kansas Production Company 1613 W. 6th Bartelsville, OK 74003 |

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DEC 10 2009

CONSERVATION DIVISION
WICHITA, KS

Lease/Well Name: **Raymond M#1**

| Terms | Due Date | P.O. # | Origin | Ship Date | Truck # | Driver | County |
|-----------------------------|------------|---------------|--|--------------|-------------------------|------------|------------|
| Due on rec... | 11/30/2009 | | Winfield, KS | 11/6/2009 | 703 | Kenny | Chautauque |
| No. of Package | HM | Item Code | Description | Total Weight | Quantity (Gallons) | Unit Price | Amount |
| | | SN-2040 | Chemicals, NOS. PG III, (Not Regulated). Frac Sand - 20/40 | | 1,250 | 0.27 | 337.50 |
| | | HourTrk Miles | Hourly Truck Charge Miles One Way | | 1 | 110.00 | 110.00 |
| | | | | | 15 | 2.00 | 30.00 |
| | | | New Well | | | | |
| | | | | | Subtotal | | |
| Thank you for you business! | | | | | \$477.50 | | |
| | | | | | Sales Tax (6.3%) | | |
| | | | | | \$30.00 | | |
| | | | | | Total | | |
| | | | | | \$507.50 | | |

*paid KPC.
Ch.# 3008
12/03/09*

LIMITATION OF LIABILITY
Seller shall not be liable for, and buyer assumes responsibility for all personal injuries and property damages resulting from the handling, possession or use of the goods after delivery to buyer. In no event shall seller's liability exceed the purchase price of the products or services that are the subject of any claims made by buyer. In no event shall buyer be entitled to incidental or consequential damages. Buyer further agrees to indemnify and hold seller harmless from all claims, losses or damages attributable to pollution or contamination and cost of control or removal thereof, alleged to have been caused by materials sold to buyer hereunder.

1 1/2% Interest per month charged on all past due accounts