

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

SEP 03 2002

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE CONSERVATION DIVISION
WICHITA, KS

ORIGINAL

Operator: License # 6861
Name: RON'S OIL OPERATIONS, INC.
Address: RT 1 BOX 194
City/State/Zip: PENOKEE KS 67659
Purchaser: _____
Operator Contact Person: RON NICKELSON
Phone: (785) 421-2409
Contractor Name: A & A PRODUCTION
License: 30076

Wellsite Geologist: _____
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. _____
5-13-02 5-21-02 5-21-02
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 065-22834-0000
County: GRAHAM
NE SE Sec. 7 Twp. 10 S. R. 23 East West
1935 feet from (S) N (circle one) Line of Section
770 feet from (E) W (circle one) Line of Section
Footages Calculated from Nearest Outside Section Corner:
(circle one) NE (SE) NW SW
Lease Name: GANO 7 Well #: A-1
Field Name: LAW
Producing Formation: LANSING/ KANSAS CITY
Elevation: Ground: 2388 Kelly Bushing: _____
Total Depth: 4000 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at 200 ft 145 Sacks
205 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set Port Collar @ 2036 Feet
If Alternate II completion, cement circulated from 2036
feet depth to 435' w/ 475 sx cmt.

Drilling Fluid Management Plan see it on 9-11-02
(Data must be collected from the Reserve Pit)
Chloride content 4,000 ppm Fluid volume 320 bbls
Dewatering method used Evaporation
Location of fluid disposal if hauled offsite: _____
Operator Name: Ron's Oil Operation
Lease Name: Nickelson #13-1 SWD 6861
Quarter 13 Sec. 09 Twp. 24 S. R. 24 East West
County: Graham Docket No.: 27839

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: Gerald W. Heim
Title: Comp. Engineer Date: 8-29-02
Subscribed and sworn to before me this 29 day of AUGUST

Notary Public: Gerald W. Heim
My Appt. Exp. April 28, 2004
Date Commission Expires: _____

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

Operator Name: RON S OIL OPERATIONS, INC Lease Name: GANO 7 Well #: A-1
 Sec. 7 Twp. 10 S. R. 23 East West County: GRAHAM

INSTRUCTIONS: Show important tops and base of formations penetrated. Detail all cores. Report all final copies of drill stems tests giving interval tested, time top 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 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 type="checkbox"/> Sample</td> </tr> <tr> <td>Name</td> <td>Top</td> <td>Datum</td> </tr> <tr> <td>Anhydrite</td> <td>2004</td> <td>#389</td> </tr> <tr> <td>Topeka</td> <td>3496</td> <td>-1103</td> </tr> <tr> <td>Heebner</td> <td>3710</td> <td>-1317</td> </tr> <tr> <td>Toronto</td> <td>3734</td> <td>-1341</td> </tr> <tr> <td>LKC</td> <td>3748</td> <td>-1355</td> </tr> <tr> <td>BKC</td> <td>3976</td> <td>-1583</td> </tr> </table>	<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample	Name	Top	Datum	Anhydrite	2004	#389	Topeka	3496	-1103	Heebner	3710	-1317	Toronto	3734	-1341	LKC	3748	-1355	BKC	3976	-1583
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CASING RECORD <input 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	# Sacs Used	Type and Percent Additives
SURFACE	12 1/4	8 5/8	20	205	60/40 POZ	145	2% Gel 3% CC
PRODUCTION	8 5/8	4 1/2	10.5#	3995	ASC	175	---

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
<input type="checkbox"/> Perforate <input checked="" type="checkbox"/> Protect Casing <input type="checkbox"/> Plug Back TD <input type="checkbox"/> Plug Off Zone	435-2036	60/40 POZ	475	6% Gel

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type		Acid, Fracture, Shot, Cement Squeeze Record	
	Specify Footage of Each Interval Perforated		(Amount and Kind of Material Used)	
4	3922-3926		1500 gallons	15% NE
4	3782-3786		1500 gallons	15% NE

TUBING RECORD		Size <u>2 3/8</u>	Set At <u>3940</u>	Packer At.	Liner Run <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumerd Production, SWD or Enhr. <u>06-01-02</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 <u>40</u> Bbls.	Gas <u>---</u> Mcf	Water <u>20</u> Bbls.	Gas-Oil Ratio <u>---</u>	Gravity <u>38</u>

Disposition of Gas		METHOD OF COMPLETION		Production Interval	
<input type="checkbox"/> Vented	<input type="checkbox"/> Sold	<input checked="" type="checkbox"/> Used on Lease	<input type="checkbox"/> Open Hole	<input checked="" type="checkbox"/> Perf.	<input type="checkbox"/> Dually Comp.
<i>(If vented, Submit ACO-18.)</i>		<input type="checkbox"/> Other (Specify)	<input checked="" type="checkbox"/> Commingled <u>all above perms</u>		

APPLIED CEMENTING CO., INC.

P.O. BOX 31
 RUSSELL, KS 67665
 PH (785) 483-3887
 FAX (785) 483-5566

ORIGINAL

*
 * INVOICE *
 *

Invoice Number: 087152

Invoice Date: 05/16/02

RECEIVED
 KANSAS CORPORATION COMMISSION

SEP 03 2002

CONSERVATION DIVISION
 WICHITA, KS

Drilling

Sold Ron's Oil Operations, Inc
 To: 1889 200th Ave.
 Penokee, KS
 67659-2036

Cust I.D.....: Ron's
 P.O. Number...: Gano A-1
 P.O. Date.....: 05/16/02

Due Date.: 06/15/02
 Terms.....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
Common	87.00	SKS	6.6500	578.55	E
Pozmix	58.00	SKS	3.5500	205.90	E
Gel	3.00	SKS	10.0000	30.00	E
Chloride	5.00	SKS	30.0000	150.00	E
Handling	153.00	SKS	1.1000	168.30	E
Mileage (48)	48.00	MILE	6.1200	293.76	E
153 sks @\$.04 per sk per mi					
Surface	1.00	JOB	520.0000	520.00	E
Mileage pmp trk	48.00	MILE	3.0000	144.00	E
Surface plug	1.00	EACH	45.0000	45.00	E

All Prices Are Net, Payable 30 Days Following
 Date of Invoice. 1 1/2% Charged Thereafter.
 If Account CURRENT take Discount of \$223.99
 ONLY if paid within 30 days from Invoice Date

Subtotal: 2135.51
 Tax.....: 0.00
 Payments: 0.00
 Total....: 2135.51

- 223.99
 1911.52

*pd 4/28 6-9-02
 OK 4338
 1911.52*

APPLIED CEMENTING CO., INC.

P.O. BOX 31
 RUSSELL, KS 67665
 PH (785) 483-3887
 FAX (785) 483-5566

ORIGINAL

* * * * *
 * I N V O I C E *
 * * * * *

Invoice Number: 087234

Invoice Date: 05/22/02

RECEIVED
 KANSAS CORPORATION COMMISSION

Complete

SEP 03 2002

CONSERVATION DIVISION
 WICHITA, KS

Sold Ron's Oil Operations, Inc
 To: 1889 200th Ave.
 Penokee, KS
 67659-2036

Cust I.D.....: Ron's
 P.O. Number...: Gano A-1
 P.O. Date.....: 05/22/02

Due Date.: 06/21/02
 Terms.....: Net 30

Item I.D./Desc.	Qty. Used	Unit	Price	Net	TX
ASC	175.00	SKS	8.5000	1487.50	E
WFR-2	500.00	GAL	1.0000	500.00	E
Handling	185.00	SKS	1.1000	203.50	E
Mileage (48)	48.00	MILE	7.4000	355.20	E
185 sks @\$.04 per sk per mi					
Production String	1.00	JOB	1130.0000	1130.00	E
Mileage pmp trk	48.00	MILE	3.0000	144.00	E
Rubber plug	1.00	EACH	48.0000	48.00	E
Guide Shoe	1.00	EACH	125.0000	125.00	E
AFU Insert	1.00	EACH	210.0000	210.00	E
Centralizers	8.00	EACH	45.0000	360.00	E
Basket	2.00	EACH	116.0000	232.00	E
Port Collar	1.00	EACH	1600.0000	1600.00	E

All Prices Are Net, Payable 30 Days Following
 Date of Invoice. 1 1/2% Charged Thereafter.
 If Account CURRENT take Discount of \$1039.52
 ONLY if paid within 30 days from Invoice Date

Subtotal: 6395.20
 Tax.....: 0.00
 Payments: 0.00
 Total....: 6395.20

ALLIED CEMENTING CO., INC. 6113

ORIGINAL

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

SERVICE POINT:

R

DATE <u>6-7-02</u>	SEC.	TWP.	RANGE	CALLED OUT	ON LOCATION	JOB START	JOB FINISH <u>3:00pm</u>
LEASE <u>Grano</u>	WELL # <u>A. 1</u>	LOCATION <u>Wobeeney Rd 3 1/2 mi Graham</u>			COUNTY <u>Graham</u>	STATE <u>KS</u>	
OLD OR <u>NEW</u> (Circle one)				<u>write</u>			

CONTRACTOR Plains Well Service

TYPE OF JOB Port Collar

HOLE SIZE _____ T.D. _____

CASING SIZE 5/2 DEPTH _____

TUBING SIZE 2" DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL X-Port DEPTH 20

PRES. MAX _____ MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT _____

OWNER _____

CEMENT AMOUNT ORDERED 475 40/40 6% gel

2 sand

EQUIPMENT

PUMP TRUCK CEMENTER Mark

346 HELPER Brent

BULK TRUCK # 3102 DRIVER _____

BULK TRUCK # _____ DRIVER _____

RECEIVED

KANSAS CORPORATION COMMISSION

SEP 03 2002

CONSERVATION DIVISION WICHITA, KS

COMMON _____ @ _____

POZMIX _____ @ _____

GEL _____ @ _____

CHLORIDE _____ @ _____

HANDLING _____ @ _____

MILEAGE _____ @ _____

TOTAL _____

REMARKS:

Plug @ 300 tested to 1500'

Spotted 2 sand - opened tool

Mixed 475 sl did not circ

Closed tool. Drained to 1500'

Washed sand off plug

Thigley

SERVICE

DEPTH OF JOB _____

PUMP TRUCK CHARGE _____

EXTRA FOOTAGE _____ @ _____

MILEAGE _____ @ _____

PLUG _____ @ _____

TOTAL _____

CHARGE TO: Grano Oil

STREET _____

CITY _____ STATE _____ ZIP _____

FLOAT EQUIPMENT

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

TOTAL _____

To Allied Cementing Co., Inc.

You are hereby requested to rent cementing equipment and furnish cementer and helper 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 & understand the "TERMS AND CONDITIONS" listed on the reverse side.

TAX _____

TOTAL CHARGE _____

DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE David Bellmer

PRINTED NAME

GENERAL TERMS AND CONDITIONS

DEFINITIONS: In these terms and conditions, "Allied" shall mean Allied Cementing Co., Inc., and "Customer" shall refer to the party identified by that term on the front of this contract. As applicable, "Job" relates to the services described on the front side of this contract, "merchandise" refers to the material described on the front of this contract and to any other materials, products, or supplies used, sold, or furnished under the requirements of this contract.

—**TERMS:** Unless satisfactory credit has been established, "CUSTOMER" must tender full cash payment to "ALLIED" before the job is undertaken or merchandise is delivered. If satisfactory credit has been established, the terms of payment for the job and/or merchandise, including bulk cement, are net cash, payable in 30 days from the completion of the job and/or delivery of the merchandise. For all past due invoices, "CUSTOMER" agrees to pay interest on amounts invoiced at a rate of 18 percent per annum until paid. Notwithstanding the foregoing, in no event shall this Contract provide for interest exceeding the maximum rate of interest that "CUSTOMER" may agree to pay under applicable law. If any such interest should be provided for, it shall be and hereby is deemed to be a mistake, and this contract shall be automatically reformed to lower the rate of interest to the maximum legal contract rate, any amounts previously paid as excess interest shall be deducted from the amounts owing from the "CUSTOMER" or at the option of "ALLIED," refunded directly to "CUSTOMER." For purposes of this paragraph, ALLIED and CUSTOMER agree that KANSAS law shall apply. Any discounts granted with this contract are null and void if the charges are not paid when due.

—**ATTORNEY FEES:** In any legal action or proceeding between the parties to enforce any of the terms of this Service Contract, or in any way pertaining to the terms of this Contract, the prevailing party shall be entitled to recover all expenses, including, but not limited to, a reasonable sum as and for attorney's fees.

—**PRICES AND TAXES:** All merchandise listed in "ALLIED'S" current price schedule are F.O.B. ALLIED'S local station and are subject to change without notice. All prices are exclusive of any federal, state, local, or special taxes for the sale or use of the merchandise or services listed. The amount of taxes required to be paid by ALLIED shall be added to the quoted prices charged to CUSTOMER.

—**TOWING CHARGES:** ALLIED will make a reasonable attempt to get to and from each job site using its own equipment. Should ALLIED be unable to do so because of poor or inadequate road conditions, and should it become necessary to employ a tractor or other pulling equipment to get to or from the job site, the tractor or pulling equipment will be supplied by CUSTOMER or, if furnished by ALLIED, will be charged to and paid by CUSTOMER.

—**PREPARATION CHARGES:** If a job and/or merchandise is ordered and CUSTOMER cancels the order after preparation of a chemical solution or other material, CUSTOMER will pay ALLIED for the expenses incurred by ALLIED as a result of the cancellation.

—**DEADHAUL, CHARGES:** Unless otherwise specified on the front of this Contract, a deadhaul charge as set forth in ALLIED'S current price book will be charged each way for each service unit which is ordered by CUSTOMER but not used.

—**SERVICE CONDITIONS AND LIABILITIES:** 1. ALLIED carries public liability and property damage insurance, but since there are so many uncertain and unknown conditions beyond ALLIED'S control, ALLIED shall not be liable for injuries to property or persons or for loss or damage arising from the performance of the job or delivery of the merchandise. Customer shall be responsible for and indemnify, defend, and hold harmless ALLIED, its officers, agents and employees, from and against any and all claims or suits for:

(A) Damage to property or for bodily injury, sickness, disease, or death, brought by any person, including CUSTOMER and/or the well owner; and:

(B) Oil spills, pollution, surface or sub-surface damage, injury to the well, reservoir loss, or damage arising from a well blowout arising out of or in connection with ALLIED'S performance of the job or furnishing of merchandise in accordance with this contract, unless such loss or damage is caused by the willful misconduct or gross negligence of ALLIED or its employees.

2. With respect to any of ALLIED'S tools, equipment, or instruments which are lost in the well or damaged when performing or attempting to perform the job or, in the case of marine operations, are lost or damaged at any time after delivery to the landing for CUSTOMER and before return to ALLIED at the landing, CUSTOMER shall either recover the lost item without cost to ALLIED or reimburse ALLIED the current replacement cost of the item unless the loss or damage results from the sole negligence of ALLIED or its employees.

3. ALLIED does not assume any liability or responsibility for damages or conditions resulting from chemical action in cements caused by contamination of water or other fluids.

WARRANTIES: 1. ALLIED warrants all merchandise manufactured or furnished by it to be free from defects in material and workmanship under normal use and service when installed, and used, and/or serviced in the manner provided and intended. ALLIED'S obligation under this warranty is expressly limited to repair, replacement, or allowance for credit, at its option, for any merchandise which is determined by ALLIED to be defective. THIS IS THE SOLE WARRANTY OF ALLIED AND NO OTHER WARRANTY IS APPLICABLE, EITHER EXPRESS OR OTHERWISE IMPLIED, IN FACT OR IN LAW, INCLUDING ANY WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE, CUSTOMER'S sole and only remedy with regard to any defective merchandise shall be the repair or replacement thereof or allowance for credit as herein provided, and ALLIED shall not be liable for any consequential, special, incidental, or punitive damages resulting from or caused by defective materials, products or supplies.

2. More specifically:

(A) Nothing in this contract shall be construed as a warranty by ALLIED of the success or the effectiveness of the result of any work done or merchandise used, sold, or furnished under this contract.

(B) Nothing in this contract shall be construed as a warranty of the accuracy or correctness of any facts, information, or data furnished by ALLIED or any interpretation of tests, meter readings, chart information, analysis of research, or recommendations made by ALLIED, unless the inaccuracy or incorrectness is caused by the willful misconduct or gross negligence of ALLIED or its employees in the preparation or furnishing of such facts, information or data.

(C) Work done by ALLIED shall be under the direct supervision and control of the CUSTOMER or his agent and ALLIED will accomplish the job as an independent contractor and not as an employee or agent of the CUSTOMER.