

CONFIDENTIAL

ORIGINAL

1/29/10

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 # 5822

Name: VAL ENERGY, INC.

Address 1: 200 W. DOUGLAS

Address 2: SUITE 520

City: WICHITA State: KS Zip: 67202 +

Contact Person: K. TODD ALLAM

Phone: ( 316 ) 263-6688

CONTRACTOR: License # 5822

Name: VAL ENERGY, INC. **CONFIDENTIAL**

Wellsite Geologist: JON STEWART

Purchaser: MACLASKEY **KCC**

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.: \_\_\_\_\_

10/21/08	10/29/08	12/2/08
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 15-007-23386-0000

Spot Description: \_\_\_\_\_

NE SE Sec. 20 Twp. 34 S. R. 11  East  West

1980 Feet from  North /  South Line of Section

660 Feet from  East /  West Line of Section

Footages Calculated from Nearest Outside Section Corner:

- NE  NW  SE  SW

County: BARBER

Lease Name: HILL TRUST Well #: 3-20

Field Name: UNKNOWN

Producing Formation: MISSISSIPPIAN

Elevation: Ground: 1347 Kelly Bushing: 1357

Total Depth: 4880 Plug Back Total Depth: 4868

Amount of Surface Pipe Set and Cemented at: 214 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

(Data must be collected from the Reserve Pit)

Chloride content: 26000 ppm Fluid volume: 900 bbls

Dewatering method used: HAULED

Location of fluid disposal if hauled offsite: \_\_\_\_\_

Operator Name: VAL ENERGY, INC

Lease Name: TALBOTT SWD License No.: 5822

Quarter SW Sec. 9 Twp. 34 S. R. 11  East  West

County: BARBER Docket No.: D-30033

**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: 1/29/09

Subscribed and sworn to before me this 29 day of JANUARY

20 09

Notary Public: Brandi Wyer

Date Commission Expires: 2/24/2010

**KCC Office Use ONLY**

Letter of Confidentiality Received

If Denied, Yes  Date: \_\_\_\_\_

Wireline Log Received

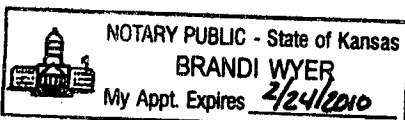
Geologist Report Received

UIC Distribution

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KANSAS CORPORATION COMMISSION

JAN 30 2009

CONSERVATION DIVISION  
WICHITA, KS



Operator Name: VAL ENERGY, INC. Lease Name: HILL TRUST Well #: 3-20  
 Sec. 20 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 <input type="checkbox"/> Yes <input checked="" 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: DUAL INDUCTION LOG MICRORESISTIVITY DUAL COMPENSATED POROSITY	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample  <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:60%;">Name</td> <td style="width:20%;">Top</td> <td style="width:20%;">Datum</td> </tr> <tr> <td>DOUGLAS</td> <td>3730</td> <td>-2373</td> </tr> <tr> <td>KC</td> <td>4209</td> <td>-2852</td> </tr> <tr> <td>STARK</td> <td>4370</td> <td>-3013</td> </tr> <tr> <td>PAWNEE</td> <td>4550</td> <td>-3193</td> </tr> <tr> <td>CHEROKEE</td> <td>4590</td> <td>-3233</td> </tr> <tr> <td>MISSISSIPPI CHERT</td> <td>4648</td> <td>-3291</td> </tr> <tr> <td>KINDERHOOK</td> <td>4851</td> <td>-3494</td> </tr> </table>	Name	Top	Datum	DOUGLAS	3730	-2373	KC	4209	-2852	STARK	4370	-3013	PAWNEE	4550	-3193	CHEROKEE	4590	-3233	MISSISSIPPI CHERT	4648	-3291	KINDERHOOK	4851	-3494
Name	Top	Datum																							
DOUGLAS	3730	-2373																							
KC	4209	-2852																							
STARK	4370	-3013																							
PAWNEE	4550	-3193																							
CHEROKEE	4590	-3233																							
MISSISSIPPI CHERT	4648	-3291																							
KINDERHOOK	4851	-3494																							

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	214	60/40 POZ	195	2% GEL, 3% CC
PRODUCTION	7 7/8	5 1/2	15	4878	AA2	125	1/4 CELLOFLAKE

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)
1 SPF	4649-4672, 4687-4694	1500 GAL 15% NEFE ACID, 12098 BBLs SLICK WATER, 213000 # SAND

TUBING RECORD:	Size:	Set At:	Packer At:	Liner Run: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumed Production, SWD or Enhr. <u>1/6/09</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>110</u>	Gas Mcf <u>100</u>	Water Bbls. <u>230</u>	Gas-Oil Ratio 

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



**Pratt**

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

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

PAGE 1 of 2	CUST NO 1970-VAL002	INVOICE DATE 10/31/2008
INVOICE NUMBER <b>1970002714</b>		

**RECEIVED**  
 Hill Trust  
 3-20 NOV 04 2008  
 Barber  
 KS  
 Cement-New Well Casing/Pipe:

9308

JOB #	EQUIPMENT #	PURCHASE ORDER NO.	TERMS	DUE DATE
1970-02720	301		Net 30 DAYS	11/30/2008
<b>For Service Dates: 10/30/2008 to 10/30/2008</b>				
<b>1970-02720</b>				
<b>1970-19094</b>	<b>Cement-New Well Casing</b>	<b>10/30/08</b>		
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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**CONSERVATION DIVISION**  
**WICHITA, KS**



PAGE 2 of 2	CUST NO 1970-VAL002	INVOICE DATE 10/31/2008
INVOICE NUMBER <b>1970002714</b>		

**Pratt**

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

**J** LEASE NAME Hill Trust  
**O** WELL NO. 3-20  
**B** COUNTY Barber  
**S** STATE KS  
**I** JOB DESCRIPTION Cement-New Well Casing/Pipe  
**T** JOB CONTACT  
**E**

JOB #	EQUIPMENT #	PURCHASE ORDER NO.		TERMS	DUE DATE
1970-02720	301			Net 30 DAYS	11/30/2008
		QTY	U of M	UNIT PRICE	INVOICE AMOUNT
Cement 60/40 POZ		25.00	EA	12.000	300.00 T
Cement AA2 Cement		125.00	EA	17.000	2,125.00 T
Supervisor Service Supervisor Charge		1.00	Hour	175.000	175.00

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

energy services, L.P.

**FIELD ORDER** 19094

Subject to Correction

Date: 10-30-08	Customer ID	Lease: Hill Trust	Well # 3-20	Legal: 20-34-11
		County: BARBER	State: KS	Station: PRA #
CHARGE	Depth: 4840		Formation	Shoe Joint: 39' 14"
	VAL Energy INC		Casing: 5 1/2	Casing Depth: 4876
	Customer Representative		TD	Job Type: CNO, 5 1/2 L.S.
Treater: Robert Fullwood				
AFE Number	PO Number	Materials Received by: X R M	DLS	

Station Code	Product Code	QUANTITY	MATERIALS, EQUIPMENT, and SERVICES USED	UNIT PRICE	AMOUNT
P	CP105	125 sk	AA-2 cement	-	2,125.00
	CP103	25 sk	6 1/4 40 202	-	300.00
	CC105	30 lb	De-franch	-	120.00
	CC111	601 lb	Salt	-	300.50
	CC115	118 lb	gas Blok	-	607.70
	CC129	95 lb	JLA-322	-	712.50
	CC201	625 lb	g/Lsonite	-	418.75
	CC155	1,000 gal	Super Flush	-	1,530.00
	CF103	1 SA	TOP Rubber Plug 5 1/2	-	105.00
	CF251	1 SA	Reg Guide Shoe	-	250.00
	CF1451	1 SA	Flapper Insert Flood	-	215.00
	CF1651	5 SA	Tubolizer	-	550.00
	E101	90 mi	Heavy 8 gal milk	-	630.00
	E113	315 m	Bulk Deling	-	504.00
	E100	45 mi	Rocky milk	KCC	191.25
	CE240	150 sk	Blender & mixing charge	JAN 29 2009	210.00
	B002	1 SA	Service Super Valve	CONFIDENTIAL	175.00
	CE205	1 SA	Daddy Charge 400' - 500'		2,520.00
P	CE504	1 SA	Plug Counters Perched		250.00
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Discount Price					9,020.32
(Signature)					

201/ Hawkline RD 2E 14 N W - 10



**TREATMENT REPORT**

Customer VAL-ENERGY INC	Lease No.	Date 10-30-08
Lease HILL Trust	Well # 3-20	
Field Order # 19094	Station PRAH	Casing 5 1/2
Type Job CW 5 1/2 L.S.	Formation	Depth 1909
		County SARBER
		State KS
		Legal Description 20-34-11

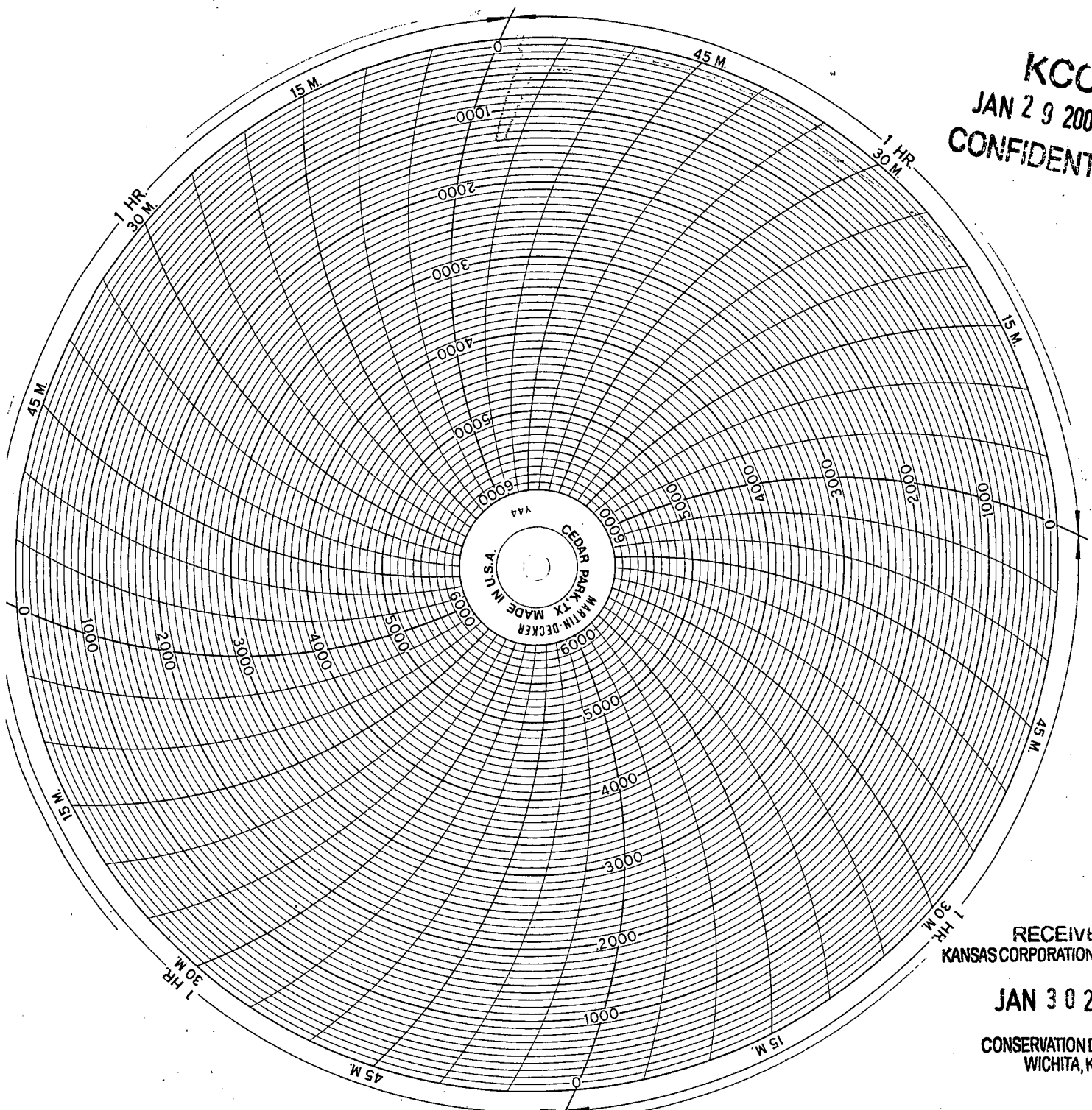
PIPE DATA		PERFORATING DATA		FLUID USED		TREATMENT RESUME		
Casing Size	Tubing Size	Shots/Ft		Acid	RATE	PRESS	ISIP	
5 1/2				Pre Pad	Max		5 Min.	
Depth 4378	Depth	From	To	Pad	Min		10 Min.	
Volume 115	Volume	From	To	Frac	Avg		15 Min.	
Max Press 1500	Max Press	From	To		HHP Used		Annulus Pressure	
Well Connection P.C.	Annulus Vol.	From	To	Flush	Gas Volume		Total Load	
Plug Depth 4837	Packer Depth	From	To					

Customer Representative	Station Manager DAVE SCOTT	Treater Robert Sullivan
Service Units 19867 19959 20920	19960 19918	
Driver Names Sullivan Nelson	Phye	

Time	Casing Pressure	Tubing Pressure	Bbls. Pumped	Rate	Service Log
1130 AM					oil loc Satby meeting
					Run 575 5 1/2 15.5" casing
					KCC
0510					CASING ON BOTTOM JAN 29 2009
0520					Hook Rig to Break circ CONFIDENTIAL
0620	150		24	3.5	Stand Super Truck
			5		1 1/2" SPACER
			31		Mix cont 125 sk AH-2 cont
0635					Strut down @ wash point Lin
0637				6	Release Plug @ 1st Deep
	300		88		lit. PSI
	500			4	Slow Rate
0700	1500		115	3.5	Plug down
0705			7		Plug R11 n M. 11
					Job Complete
					Thank you

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JAN 30 2009

CONSERVATION DIVISION  
WICHITA, KS

24 S. Lincoln Street  
P.O. Box 31  
Russell, KS 67665-2906

Voice: (785) 483-3887  
Fax: (785) 483-5566

# INVOICE

Invoice Number: 116667  
Invoice Date: Oct 21, 2008  
Page: 1

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

**RECEIVED**  
OCT 27 2008

Customer ID	Well Name# or Customer P.O.	Payment Terms	
Val	Hill Trust #3-20	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS1	Medicine Lodge	Oct 21, 2008	11/20/08

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
18.00	SER	Mileage 204 sx @ .10 per sk per mi	20.40	367.20
1.00	SER	Surface	1,018.00	1,018.00
18.00	SER	Mileage Pump Truck	7.00	126.00
1.00	SER	Head Rental	113.00	113.00
1.00	EQP	Wooden Plug	68.00	68.00

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WICHITA, KS

KCC  
JAN 29 2009

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

\$ 502.50

ONLY IF PAID ON OR BEFORE

Nov 20, 2008

Subtotal	<b>CONFIDENTIAL</b>	5,025.05
Sales Tax		183.41
Total Invoice Amount		5,208.46
Payment/Credit Applied		
<b>TOTAL</b>		<b>5,208.46</b>



