

Operator Name: OSBORN ENERGY, LLC Lease Name: Ashley Well #: 1-1
 Sec. 1 Twp. 16 S. R. 23 East West County: Miami

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: Gamma Ray Neutron	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample Name Top Datum Well log attached <div style="text-align: center;"> CONFIDENTIAL FEB 26 2008 KGC </div>
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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	# Sacks Used	Type and Percent Additives
SURFACE	13 1/2"	8 5/8"	n/a	21.6'	PORTLAND	6	WATER
PRODUCTION	6 3/4"	4 1/2"	9 1/2	827"	CONSOLIDATED	TICKET	ATTACHED

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

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TUBING RECORD	Size	Set At	Packer At	Liner Run	<input type="checkbox"/> Yes <input type="checkbox"/> No	CONSERVATION DIVISION WICHITA, KS
Date of First, Resumerd Production, SWD or Enhr.			Producing Method			
			<input type="checkbox"/> Flowing <input 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	
		WC				

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

Geological Report

Ashley # 1-1

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330 FNL, 2310 FEL
Section 1-T16S-R23E
Miami Co., Kansas
API# 121-28482-0000
Elevation: 915' GL, according to kcc.
Drilling Contractor: Osborn Energy, L.L.C (Lic. # 32294)
Spud: 12-12-2007
Production Bore Hole: 6 3/4"
Rotary Total Depth: 843' on 12/14/2007
Drilling Fluid: air
Surface Csg.: 8 5/8"
Production Csg.: 4" set at 827'
Geologist: Curstin Hamblin

<u>Formation</u>	<u>Driller Tops</u>	<u>Thickness</u>	<u>Log Tops</u>	<u>Datum</u>
Stark Shale	168-169'	6'	166-172	749
Hushpuckney Shale	194-195'	3'	195-198	720
Base Kansas City	222'		218	697
Knobtown Sand	No call			
Carbonaceous Zone	No call			
"Big Lake" Sand	'			
South Mound Zone	368-370'	5'	365-370	550
Hepler (Wayside) Sand	No call			
"Upper" Mulberry Zone	No call			
Mulberry Zone	410-411'	3'	410-413	505
Weiser Sand	'			
Myrick Station	'			
Lexington Coal Zone	452-454'	6'	451-457	464
Peru Sand	No call			
Summit Shale Zone	492-498'	5'	492-497	423
Mulky Coal/Shale Zone	508-513'	5'	511-516	404
Squirrel Sand	569'			
Bevier Coal	'	4'	602-606	313
Crowburg Coal	'			
Mineral Coal	622-626'	5'	614-619	301
Scammon Coal	'	3'	646-652	269
Tebo	'	4'	686-690	229
Weir-Pittsburg coal	'			
Rotary Total Depth	843'			72

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Drilling at 118' in the Kansas City on 12/12/2007
Background Gas (BG) 7.7 units

118-128: LS: white, grey
128-138: SH: grey, gummy
138-148: LS: grey, SH: some grey
148-158: LS: lt grey, white
158-168: LS: tan & grey

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STARK FORMATION Geologist called @ 168', No gas kick, BG running at 6.5 units

168-178: SH: black, LS: grey
178-188: LS: tan

HUSHPUCKNEY SHALE Geologist called @194', kick to 34.5 units, 28 units over BG
BG running at 4.3 units

188-198: SH: black, grey, LS: white
198-208: LS: white, tan, SH: some grey
208-218: LS: white, tan, SH: some grey
218-228: SH: grey & gummy
228-238: SH: grey & Gummy
238-248: SH: grey & Gummy
248-258: SH: Grey, gummy
258-268: SAND: grey & gummy
268-278: SH: grey
278-288: SH: grey & gummy

Stopped drilling at 4:50pm at 293' on 12/12/2007
Resumed drilling at 11:15am at 293' on 12/13/2007, with water. Over night
something produced water.

****GAS TEST Before drilling, 22 MCF, 22 MCF Total****

BG at 6.5

288-298: SH: grey, gummy
298-308: SH: grey, gummy
308-318: SH: grey, gummy
318-328: SH: grey, gummy, some black-Black started at 328'
328-338: SH: grey, black
338-348: SH: grey, black, LS: tan
348-358: SH: grey, some black, LS: tan, Sand: biotite & muscovite
358-368: SH: grey, black, SAND: tan, grey, PYRITE, SAND: grey, tan

SOUTH MOUND ZONE Geologist called @ 368', no accurate gas kick due to a new
connection at 368'

****GAS TEST @368', 27 MCF 49 MCF Total****

369': fair gas bubbles

****GAS TEST @379', 7 MCF 56 MCF Total, the South mound had 34 MCF
total****

BG at 42.6 units

368-378: SH: grey, black, PYRITE
378-388: LS: grey, tan, SH: grey, some black w/ pyrite on it

****GAS TEST @393', 56 MCF Total**

BG at 33.0 units

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388-398: SH: grey, some black, SAND: red, grey
398-408: SH: red, lots of red, grey, LS: some tan

Mulberry Zone Geologist called @410-411''

408-418: LS: tan, white, SH: some black, grey

****GAS TEST @418', 56 MCF Total**

BG at 30.4 units

418-428: LS: tan, white, SH: grey, some black

428-438: SAND: black & grey, LS: tan/grey

438-448: SH: grey, some sand

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LEXINGTON COAL ZONE Geologist called @452', no gas kick

BG running at 36.5 units

452': gas bubbles fair to good

448-458: SH: black, grey, PYRITE, Sand: grey

458-468: SH: grey, black, PYRITE, Sand: grey

****GAS TEST @468', 0 MCF 56 Total ****

468-478: LS: lt grey w/ calcified fractures

478-488: SH: grey, some black

SUMMIT SHALE ZONE Geologist called @492', kick to 35.4 units, 2.4 units over BG
--picked up some water, but not a lot

****GAS TEST @493', 2 MCF 58 Total ****

495': fair to good gas bubbles

488-498: SH: black & grey

****GAS TEST @503', 6 MCF 64 Total, Summit zone had 8 MCF Total ****

MULKY COAL/SHALE ZONE Geologist called @508', kick to 38.6 units, 2.1 over BG

498-508: SH: black & Grey

513-514': black shale, fair gas bubbles

508-518: SH: black, grey

****GAS TEST @518', 64 MCF Total**

BG running at 38.9 units

518-528: SH: grey, some black w/ pyrite on it, SAND: some

528-538: SH: grey, SAND: grey, tan

538-548: SH: grey, SAND: some tan

548-558: SH: grey, some black

559': gas kick from 35.0 units to 43 units, 8 units over BG

558-568: dk grey siltstone

SQUIRREL SAND Geologist called @ 569', BG from 44.7 to 45.2 units

****GAS TEST @568', 64 MCF Total**

568-578: SAND: grey

578-588: siltstone, grey

588-598: SAND: grey w/ black specks

598-608: SH: grey, some black, SAND: grey

►Bevier Coal? 607': Black coal, poor-fair gas bubbles, no gas kick

608-618: SH: grey, some black

►618': Black Shale, no gas bubbles BG from 39.5-45.2 units, 5.7 units total

****GAS TEST @618', 56 MCF Total**

Stopped drilling at 4:15pm on 12/13/2007 at 618'

Resumed drilling at 11:06am on 12/14/2007 at 618'

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****GAS TEST @618' , 0 MCF, 56 MCF Total**

Mineral Coal Geologist called @ 622', no gas kick

****GAS TEST @643' , 0 MCF, 56 MCF Total**

▶622-626: black shale/coal-poor gas bubbles, scattered through 638'
618-628: SH: black, grey, some pyrite
628-638: SH: black, grey, SAND: grey
638-648: SH: black, grey, LS: grey, some SAND

▶Scammon? 650-653': black coal, no gas kick, no gas bubbles
648-658: SH: black, grey, SAND: some
658-668: SH: grey, black, some siltstone, Sand: grey, LS: some tan

▶672-688': dk grey shale-black, gas kick from 35 to 41.4 units, 6.4 units total
----poor gas bubbles
**** going through the dark grey shale we picked up water---TEBO?

668-678: SH: dark grey
678-688: SH: black, dk grey, LS: dk grey

****GAS TEST @693' , 4 MCF, 60 MCF Total**

688-698: SH: grey, some black, siltstone, SAND: some
698-708: SH: grey, Siltstone, grey, SAND: grey, PYRITE
708-718: dk grey, some pyrite, SAND: some white

****GAS TEST @718' , -11 MCF, 49 MCF Total**

▶723-726': black shale, no gas kick, poor-fair gas bubbles
718-728: SH: dk grey, some black, SAND: grey, some, pyrite
728-738: SH: dk grey, some siltstone, some SAND, pyrite
***The dark grey shale is nearly black with some small black chips in all of the samples
738-748: SH: dk grey, grey w/ pyrite, PYRITE, SAND: some grey
748-758: dk grey shale w/ pyrite growth interbedded with green shale, SAND: white w/ tan nodules

▶757': Black coal, poor gas bubbles, gas kick from 36 to 39 units, 3 units
758-768: SAND: white w/ brown nodules & white growth, SH: dk grey, PYRITE

****GAS TEST @768' , 7 MCF, 56 MCF Total**

--we picked up water that seems to have a little oil in it, not much
768-778: SAND: white, grey, SH: green, black
778-788: SAND: grey, white, SH: some green & black
788-798: SAND: grey, dk grey, SH: grey, dk grey
798-808: dk grey shale to 805' then inter bedded with grey sand to 808'
808-818: SAND: lt grey, SH: some black

****GAS TEST @818' , -5 MCF, 51 MCF Total**

818-828: SAND: lt grey, dk grey, white, LS: very little, tan
828-838: SAND: dk grey, banded,
838-843: SH: grey, trace black w/ pyrite, some sand, some ls
Stopped drilling at 3:00pm on 12/14/2007 at 843'

****GAS TEST @843' , 51 MCF Total**

Total Rotary Depth, 843'

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CONSOLIDATED OIL WELL SERVICES, INC.
 P.O. BOX 884, CHANUTE, KS 66720
 620-431-9210 OR 800-467-8676

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TICKET NUMBER 15969
 LOCATION Ottawa KS
 FOREMAN Fred Maden

TREATMENT REPORT & FIELD TICKET
 CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
2/15/08	6073	Ashley # 1-1	1	16	23	MI

CUSTOMER	TRUCK #	DRIVER	TRUCK #	DRIVER
Osborn Energy MAILING ADDRESS 24850 Farley CITY Bucyrus STATE KS ZIP CODE 66013	506	Fred		
	368	Bill		
	510	Bratt		

JOB TYPE Long string HOLE SIZE _____ HOLE DEPTH 843' CASING SIZE & WEIGHT 4 1/2
 CASING DEPTH 827' DRILL PIPE _____ TUBING _____ OTHER _____
 SLURRY WEIGHT _____ SLURRY VOL _____ WATER gal/sk _____ CEMENT LEFT IN CASING 4 1/2 Plug
 DISPLACEMENT 13.1 BBL DISPLACEMENT PSI _____ MIX PSI _____ RATE 4.3 PM

REMARKS: Establish circulation. Mix + Pump 200th Premium Gel
 Flush. Mix + Pump 7 BBL Talltale dye. Ahead of
 146 sks 50/50 Por Mix Cement w/ 0% Gel 14th
 Pheno Seal. Flush pump + line clean. Displace
 4 1/2" Rubber plug to casing TD w/ 13.1 BBL Freshwater
 Pressure to 700* PSI. Release pressure to set Float
 Valve. Check plug depth w/ wire line.

Fred Maden

Customer Supplied Water.

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
5401	1	PUMP CHARGE Cement Pump	368	875 ⁰⁰
5406	40 mi	MILAGE Pump Truck	368	138 ⁰⁰
5407	Minimum	Ten Mileage	510	300 ⁰⁰
1124	143 sks	50/50 Por Mix Cement		1329 ⁰⁰
1118B	446*	Premium Gel		71 ⁸⁵
4404	1	4 1/2" Rubber Plug		42 ⁰⁰
		Sub Total		2756 ⁰⁰
		Tax @ 6.55%		94.53
		SALES TAX ESTIMATE		2850.79

AUTHORIZATION *[Signature]*

TITLE 220341

DATE _____

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