

CONFIDENTIAL

ORIGINAL 3/18/10

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

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Name: VAL ENERGY, INC

MAR 19 2009

Wellsite Geologist: STEVE VAN BUSKIRK

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.:

12/01/08 12/06/08 2/3/09

Spud Date or Recompletion Date Date Reached TD Completion Date or Recompletion Date

API No. 15 - 15-007-23394-6000

Spot Description:

NE NE SW Sec. 21 Twp. 34 S. R. 11 East West

2310 Feet from North / South Line of Section

2310 Feet from East / West Line of Section

Footages Calculated from Nearest Outside Section Corner:

NE NW SE SW

County: BARBER

Lease Name: PAXTON-KUBIK Well #: 2-21

Field Name: UNKNOWN

Producing Formation: MISSISSIPPIAN

Elevation: Ground: 1361 Kelly Bushing: 1372

Total Depth: 5025 Plug Back Total Depth: 4836

Amount of Surface Pipe Set and Cemented at: 217 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/ AH I - Dlg - 4/20/09^{sx cmt.}

Drilling Fluid Management Plan

(Data must be collected from the Reserve Pit)

Chloride content: 30000 ppm Fluid volume: 750 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.: D30033

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: K Todd Allam

Title: PRESIDENT Date: 3/18/09

Subscribed and sworn to before me this 18 day of MARCH

20 09

Notary Public: Brandi Wyer

Date Commission Expires: 2/24/2010

NOTARY PUBLIC - State of Kansas
BRANDI WYER
My Appt. 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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Operator Name: VAL ENERGY, INC Lease Name: PAXTON-KUBIK Well #: 2-271
Sec. 21 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 (Attach Additional Sheets)
Samples Sent to Geological Survey
Cores Taken
Electric Log Run (Submit Copy)
List All E. Logs Run: ADDI REC'D w/ logs: DIC; DNAL COMPSD. POROSITY LOG; MICRORESISTIVITY LOG; GR/CBL
Log Formation (Top), Depth and Datum
Name Top Datum
MARMATON 4504 -3133
PAWNEE 4546 -3175
CHEROKEE 4575 -3204
MISSISSIPPIAN CONGLOMERATE 4626 -3255
KINDERHOOK 4851 -3480
CHATTANOOGA 4922 -3551
VIOLA 5010 -3639

CASING RECORD
Report all strings set-conductor, surface, intermediate, production, etc.
Table with columns: 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.
Rows: SURFACE, PRODUCTION

ADDITIONAL CEMENTING / SQUEEZE RECORD
Table with columns: Purpose, Depth Top Bottom, Type of Cement, #Sacks Used, Type and Percent Additives.

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
1 SPF 4650-4654, 4654-4660, 4676-4680, 4680-4684 1100 GAL 15% NEFE ACID, 8592 BBLS SLICK WATER, 151600 LBS SAND 4650-4684

TUBING RECORD: Size: Set At: Packer At: Liner Run:
Date of First, Resumed Production, SWD or Enhr. 2/17/09
Producing Method: Flowing Pumping Gas Lift Other (Explain)
Estimated Production Per 24 Hours Oil Bbls. 75 Gas Mcf 75 Water Bbls. 250 Gas-Oil Ratio Gravity

DISPOSITION OF GAS: Vented Sold Used on Lease
METHOD OF COMPLETION: Open Hole Perf. Dually Comp. Commingled Other (Specify)
PRODUCTION INTERVAL:



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Pratt

PAGE 2 of 2	CUST NO 1970-VAL002	INVOICE DATE 12/08/2008
INVOICE NUMBER 1970002898		

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

J LEASE NAME Paxston-Kubik
O WELL NO. 2-21
B COUNTY Barber
S STATE KS
I JOB DESCRIPTION Cement-New Well Casing/Pipe
T JOB CONTACT

JOB #	EQUIPMENT #	PURCHASE ORDER NO.		TERMS	DUE DATE
1970-02903	301			Net 30 DAYS	01/07/2009
Cement 60/40 POZ		QTY 25.00	U of M EA	UNIT PRICE 12.000	INVOICE AMOUNT 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	-2,728.56
		SUBTOTAL	9,134.73
		TAX	296.67
		INVOICE TOTAL	9,431.40



PAGE 1 of 2	CUST NO 1970-VAL002	INVOICE DATE 12/08/2008
INVOICE NUMBER 1970002898		

Pratt

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

KS 67202

J
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B
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T

LEASE NAME Paxston-Kubik
WELL NO. 2-21
COUNTY Barber
STATE KS
JOB DESCRIPTION Cement-New Well Casing/Pipe
JOB CONTACT

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JOB #	EQUIPMENT #	PURCHASE ORDER NO.	TERMS	DUE DATE	
1970-02903	301		Net 30 DAYS	01/07/2009	
For Service Dates: 12/07/2008 to 12/07/2008					
1970-02903					
1970-19201	Cement-New Well Casing	12/7/08			
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			100.00 DH	7.000	700.00
Heavy Equipment Mileage					
Mileage			350.00 DH	1.600	560.00
Proppant and Bulk Delivery Charges					
Pickup			50.00 Hour	4.250	212.50
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			627.00 EA	0.670	420.09 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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max depth 145 3E 3/4 WJNTU

BASIC

energy services, L.P.

TREATMENT REPORT

Customer <i>VAL - Energy INC</i>	Lease No.	Date <i>12-7-09</i>
Lease <i>Payston - Kubik</i>	Well # <i>2-21</i>	
Field Order # <i>19201</i>	Station <i>Pratt</i>	Casing <i>5 1/2</i>
		Depth <i>4836</i>
Type Job <i>CNW 5 1/2 L.S.</i>	Formation	County <i>BARBER</i>
		State <i>KS</i>
		Legal Description <i>21-39-11</i>

PIPE DATA		PERFORATING DATA		FLUID USED		TREATMENT RESUME		
Casing Size	Tubing Size	Shots/Ft	cm	Acid	RATE	PRESS	ISIP	
<i>5 1/2</i>				<i>125 slt AA-2</i>				
Depth <i>4836.78</i>	Depth	From	To	Pre-Pad <i>15.4 16/16L</i>	Max		RCC	
Volume <i>114</i>	Volume	From	To	Pad <i>1.37 7+</i>	Min		MAR 18 2009	
Max Press <i>1500</i>	Max Press	From	To	Frac	Avg		CONFIDENTIAL	
Well Connection <i>PC</i>	Annulus Vol.	From	To		HHP Used		15 Min	
Plug Depth <i>4797.66</i>	Packer Depth	From	To	Flush	Gas Volume		Annulus Pressure	
							Total Load	

Customer Representative: *Russell Myers* Station Manager: *Dave Scott* Treater: *Robert Fullmer*

Service Units	<i>19807</i>	<i>19959</i>	<i>20920</i>	<i>19832</i>	<i>21010</i>
Driver Names	<i>Callahan</i>	<i>Roush</i>	<i>LaChance</i>		

Time	Casing Pressure	Tubing Pressure	Bbls. Pumped	Rate	Service Log
<i>0930</i>	<i>100</i>				<i>on loc. safety meeting</i>
					<i>Run 126 ST.S 5 1/2 15.5 CASING</i>
					<i>cont. 1, 3, 6, 8, 10. Shear ST. 39 12</i>
<i>1220</i>					<i>CASING ON BOTTOM</i>
<i>1225</i>					<i>Hook Rig to Break cmc</i>
<i>0118</i>	<i>100</i>		<i>24</i>	<i>4</i>	<i>Start Suppl Flow</i>
			<i>5</i>		<i>Start H²O Spence</i>
	<i>200</i>		<i>30</i>		<i>mix cont 125 slt AA-2 @ 15.4 16/16L</i>
<i>0133</i>	<i>0</i>				<i>shut down AND work down liner</i>
<i>0135</i>	<i>0</i>			<i>6</i>	<i>Release Plug AND START DISP</i>
	<i>300</i>		<i>88</i>	<i>6</i>	<i>lift PS!</i>
	<i>500</i>			<i>4</i>	<i>Slow Rate</i>
<i>0155</i>	<i>1500</i>		<i>114</i>	<i>4</i>	<i>Plug down</i>
<i>0210</i>			<i>7</i>	<i>2</i>	<i>plug P.H. @ 0211</i>
<i>0230</i>					<i>job complete</i>
					<i>Thank you!</i>

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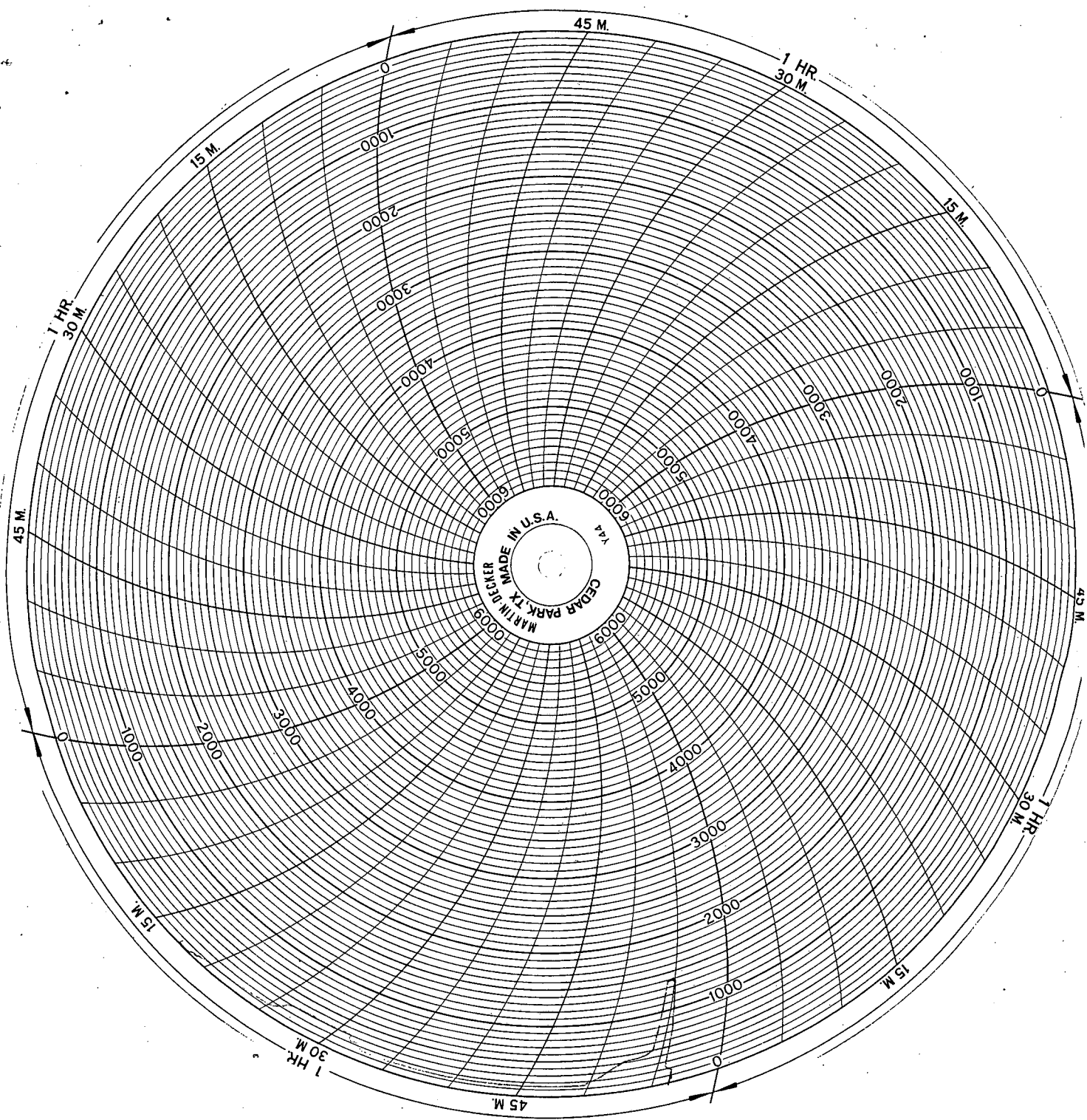
energy services, L.P.

FIELD ORDER 19201

Subject to Correction

Date 12-7-08	Customer ID	Lease Paxson-Kabik	Well # 2-21	Legal 21-34-11
		County BARBER	State KS	Station Pratt
		Depth	Formation	Shoe Joint 39'12"
CHARGE VAL Energy INC		Casing 5 1/2	Casing Depth 4836'	TD 5020'
		Customer Representative		Treater Robert J. J. J.
AFE Number		PO Number		Materials Received by X [Signature]

Station Code	Product Code	QUANTITY	MATERIALS, EQUIPMENT, and SERVICES USED	UNIT PRICE	AMOUNT
P 1	CP105	125 SK	AM-2 cont	/	2,125.00
	CP103	25 SK	60/40 P02	/	300.00
	CC105	30 lb	De former	/	120.00
	CC111	60 lb	Salt	/	300.50
	CC115	118 lb	gas blk	/	607.70
	CC129	95 lb	FLM-322	/	712.50
	CC201	627 lb	gilsonite	/	420.09
	CC155	1,000 gal	Super Flux #	/	1,530.00
	CF103	1 SA	Top Ribbon Plug 5 1/2	/	105.00
	CF251	1 SA	guide shoe	/	250.00
	CF1451	1 SA	INSRT Flt	/	215.00
	CF1651	5 SA	Turbolizers	/	550.00
	E 101	100 mi.	Heavy Egg mls	/	700.00
	E 113	350 Tm	Bulk Doling	/	560.00
	E 100	50 mi	pickp mls	/	212.50
	CE240	150 sk	Blending & mixing charge	/	210.00
	SO03	1 SA	Seaver Super wire	/	175.00
	CE205	1 SA	4 hr Depth charge 4001'-5000'	/	2,520.00
P	CE504	1 SA	plug container Rental	/	250.00
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Discard Price Thank you					9,134.73



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

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

INVOICE

Invoice Number: 117349
Invoice Date: Nov 26, 2008
Page: 1

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

9208

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2-21

Customer ID	Well Name# or Customer P.O	Payment Terms	
Val	Paxton Kubik #2	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS1	Medicine Lodge	Nov 26, 2008	12/26/08

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
20.00	SER	Mileage 204 sx @ .10 per sk per mi	20.40	408.00
1.00	SER	Surface	1,018.00	1,018.00
20.00	SER	Mileage Pump Truck	7.00	140.00
1.00	SER	Head Rental	113.00	113.00
1.00	EQP	Wooden plug	68.00	68.00

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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

\$ 507.98

ONLY IF PAID ON OR BEFORE

Dec 26, 2008

Subtotal	5,079.85
Sales Tax	183.41
Total Invoice Amount	5,263.26
Payment/Credit Applied	
TOTAL	5,263.26

ALLIED CEMENTING CO., LLC. 32529

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

SERVICE POINT:
Medicine Lodge

PAXTON Kubik

DATE <u>11-26-08</u>	SEC <u>21</u>	TWP. <u>34S</u>	RANGE <u>11W</u>	CALLED OUT <u>0130 AM</u>	ON LOCATION <u>0330 AM</u>	JOB START <u>0630 AM</u>	JOB FINISH <u>0700 AM</u>
LEASE WELL # <u>2-21</u>		LOCATION <u>160' x 281' Jct. S/TO Hawkins Rd, E/</u>		COUNTY <u>Barber</u>	STATE <u>KS.</u>		
OLD OR NEW (Circle one) <u>^</u>		TO <u>Northstar T, E/INTD.</u>					

CONTRACTOR Val 5

TYPE OF JOB Surface

HOLE SIZE 12 1/4" T.D. 221'

CASING SIZE 9 5/8" 24# DEPTH 216

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX _____ MINIMUM 100

MEAS. LINE _____ SHOE JOINT 20'

CEMENT LEFT IN CSG. 20' per customer request

PERFS. _____

DISPLACEMENT 12 1/4 Bbls Fresh Water

OWNER Val Energy

CEMENT

AMOUNT ORDERED 195' x 60' 40:2 + 390 CC

EQUIPMENT

PUMP TRUCK CEMENTER Greg G

480-496 HELPER Heath M

BULK TRUCK

389 DRIVER Randy F

BULK TRUCK

_____ DRIVER _____

COMMON	<u>117 A</u>	@	<u>15.45</u>	<u>1807.65</u>
POZMIX	<u>78</u>	@	<u>8.00</u>	<u>624.00</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		@		
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HANDLING	<u>204</u>	@	<u>2.40</u>	<u>489.60</u>
MILEAGE	<u>20 x 204 x .10</u>			<u>408.00</u>
				TOTAL <u>3740.85</u>

REMARKS:

Pipe on Bottom, Break circulation, Pump 5 Bbls Fresh Water Ahead, Pump Cement - 195' x 60' 40:2 + 390 CC, Stop pumps, Release Plug, Start Disp. See lift, slow rate, Disp with 12 1/4 Bbls Fresh Water, Shut in, Cement Circulated to Surface.

CHARGE TO: Val Energy

STREET _____

CITY _____ STATE _____ ZIP _____

SERVICE

DEPTH OF JOB	<u>221'</u>			
PUMP TRUCK CHARGE				<u>1018.00</u>
EXTRA FOOTAGE		@		
MILEAGE	<u>20</u>	@	<u>7.00</u>	<u>140.00</u>
MANIFOLD		@		
Head Rental	<u>1</u>	@	<u>113.00</u>	<u>113.00</u>
				TOTAL <u>1271.00</u>

8 5/8 **PLUG & FLOAT EQUIPMENT**

Wooden Plug	<u>1</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

Thank You

SALES TAX (If Any) _____

TOTAL CHARGES ~~_____~~

DISCOUNT ~~_____~~ IF PAID IN 30 DAYS

ANY APPLICABLE TAX WILL BE CHARGED UPON INVOICING