

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL

Form ACO-1
October 2008
Form Must Be Typed

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

OPERATOR: License # 31609
Name: Priority Oil & Gas LLC
Address 1: PO Box 27798
Address 2: _____
City: Denver State: CO Zip: 80123 + 0798
Contact Person: Melissa Gray
Phone: (303) 296-3435
CONTRACTOR: License # 33532
Name: Advanced Drilling Technologies
Wellsite Geologist: Peterson Energy
Purchaser: _____
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.: _____

<u>12-02-2009</u>	<u>12-03-09</u>	<u>3-18-10</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 023-21215-00-00
Spot Description: _____
E2 NW NE NE Sec. 28 Twp. 4 S. R. 40 East West
330 Feet from North / South Line of Section
700 Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Cheyenne
Lease Name: DeGood Well #: 3-28
Field Name: Cherry Creek
Producing Formation: Niobrara
Elevation: Ground: 3501' Kelly Bushing: 3513'
Total Depth: 1425 Plug Back Total Depth: 1410'
Amount of Surface Pipe Set and Cemented at: 310' 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 I NUR 4-5-10
(Data must be collected from the Reserve Pit)
Chloride content: ~18-19,000 ppm Fluid volume: ~250 bbls
Dewatering method used: Evaporate
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: Robbie Gris
Title: President Date: 3/23/10
Subscribed and sworn to before me this 23 day of March
20 10.
Notary Public: Melissa A. Gray
Date Commission Expires: 5/30/10

KCC Office Use ONLY

Letter of Confidentiality Received
If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received
 PIC Distribution

RECEIVED
MAR 31 2010
KCC WICHITA

NOTARY PUBLIC
MELISSA A. GRAY
STATE OF COLORADO
My Commission Expires 05-30-2010

Operator Name: Priority Oil & Gas LLC Lease Name: DeGood Well #: 3-28
 Sec. 28 Twp. 4 S. R. 40 East West County: Cheyenne

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: CNL-Density Induction-SP-GR Cement Bond	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample <table style="width:100%; border: none;"> <tr> <td style="width:60%;">Name</td> <td style="width:20%;">Top</td> <td style="width:20%;">Datum</td> </tr> <tr> <td>Niobrara Beecher Island</td> <td>1242'</td> <td>3700'</td> </tr> </table>	Name	Top	Datum	Niobrara Beecher Island	1242'	3700'
Name	Top	Datum					
Niobrara Beecher Island	1242'	3700'					

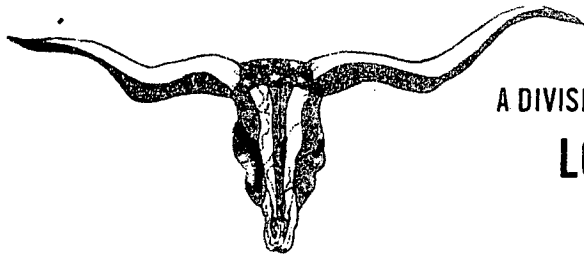
CASING RECORD <input checked="" type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
Surface	11 in	7 in	23 #	310'	Portland I/II	90	
Production	6 1/8 in	4 1/2 in	10.5 #	1425'	Class A Type 1, 2	75	2% calcium

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
4	1246' -1284', 152 holes	44,421 GAL FOAM/FLUID, CL-57, Mav-100,	1246' -
	3 1/8" slick gun, 19 gm. .42 EHD 30" pene, 120 degree phasing	Breaker 503L, WF-3, MAVCIDE II	1284'
		MAVCELL F, MAVHIB-3, HCL, CO2, 16/30	

TUBING RECORD: Size: <u>none</u> Set At: _____ Packer At: _____		Liner Run: <input type="checkbox"/> Yes <input type="checkbox"/> No	
Date of First, Resumed Production, SWD or Enhr. _____		Producing Method: <input checked="" 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 100 mcf/day	Water Bbls. 0 Bbl/day
			Gas-Oil Ratio _____ Gravity _____

DISPOSITION OF GAS: <input type="checkbox"/> Vented <input checked="" type="checkbox"/> Sold <input 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: <div style="border: 1px solid black; padding: 5px; display: inline-block;">RECEIVED</div> MAR 31 2010
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A DIVISION OF ADVANCED DRILLING TECHNOLOGIES, LLC.

LONGHORN CEMENTING CO.

P.O. BOX 203 YUMA, COLORADO 80759
 Phone: 970-848-0799 Fax: 970-848-0798

FIELD SERVICE TICKET
AND INVOICE

DATE 12-10-09 TICKET NO. 1924

DATE OF JOB	DISTRICT	NEW WELL <input checked="" type="checkbox"/>	OLD WELL <input type="checkbox"/>	PROD <input type="checkbox"/>	INJ <input type="checkbox"/>	WDW <input type="checkbox"/>	CUSTOMER ORDER NO.:
CUSTOMER <u>Priority</u>	LEASE <u>DeGood 3-28</u>	WELL NO.					
ADDRESS	COUNTY	STATE					
CITY	STATE	SERVICE CREW <u>Mike</u>					
AUTHORIZED BY	EQUIPMENT <u>UNIT #112</u>						
TYPE JOB: <u>Longstrig</u>	DEPTH FT.	CEMENT DATA: BULK <input type="checkbox"/>	SAND DATA: SACKS <input type="checkbox"/>		TRUCK CALLED		DATE AM TIME
		SACKS	BRAND	TYPE	% GEL	ADMIXES	
SIZE HOLE: <u>6 1/8</u>	DEPTH FT. <u>75</u>	<u>A</u>	<u>1-11</u>				ARRIVED AT JOB AM PM
SIZE & WT. CASTING <u>NEW 4 1/2</u>	DEPTH FT. <u>6.5</u>						START OPERATION AM PM
SIZE & WT. D PIPE OR TUBING	DEPTH FT.						FINISH OPERATION AM PM
TOP PLUGS	TYPE:	WEIGHT OF SLURRY: <u>15.4</u>	LBS. / GAL.	LBS. / GAL.			RELEASED AM PM
		VOLUME OF SLURRY: <u>1.25</u>	<u>WFTASK</u>				MILES FROM STATION TO WELL
<u>1909</u> <u>PTD</u> MAX DEPTH	FT.	MAX PRESSURE	PSI.				

CONTRACT CONDITIONS: (This contract must be signed before the job is commenced or merchandise is delivered).

The undersigned is authorized to execute this contract as an agent of the customer. As such, the undersigned agrees and acknowledges that this contract for services, materials, products, and/or supplies includes all of and only these terms and conditions appearing on the front and back of this document. No additional or substitute terms and/or conditions shall become a part of this contract without written consent or an officer of Advanced Drilling Technologies, LLC.

SIGNED: _____
(WELL OWNER, OPERATOR, CONTRACTOR OR AGENT)

ITEM / PRICE REF. NUMBER	MATERIAL, EQUIPMENT AND SERVICES USED	UNIT	QUANTITY	UNIT PRICE	\$ AMOUNT
001-2	Depth charge - Cement - Mileage				4300 @
300-2	4 1/2 Accuseal Floutshor	2			267 07
300-4	4 1/2 Latchdown Baffle 2ply	7			226 00
300-6	4 1/2 Centralizers	7			250 88
300-8	4 1/2 Scratchers	8			278 40
300-10	7" Centralizers	2			36 44
400-2	Calcium chloride pellets	Sold			50 00
400-4	HCL liquid	2.3gal			119 00
					5527 79
	Fresh water 10 BBls				
	Cement 17.0 BBls				
	Displacement 22.4 BBls				
	Bumped plug @ 2000 psi				

ACID DATA:			
	GALLONS	%	ADDITIVES
HCL			
HCL			

SERVICE & EQUIPMENT	%TAX ON \$	
MATERIALS	%TAX ON \$	
TOTAL		5527 79

SERVICE REPRESENTATIVE: _____ THE ABOVE MATERIAL AND SERVICE ORDERED BY CUSTOMER AND RECEIVED BY: _____
 FIELD SERVICE ORDER NO. _____ (WELL OWNER, OPERATOR, CONTRACTOR OR AGENT)

SCHAAL DRILLING, CO.
PO BOX 416
BURLINGTON, CO. 80807
719-346-8032
FIELD REPORT
SURFACE CASING, DRILLING AND CEMENTING

DRILLING DATE 12-03-09

WELL NAME & LEASE # DeGood 3-28

MOVE IN, RIG UP, DIG PITS ETC. DATE 12-02-09 TIME 12:30 AM PM

SPUD TIME 8:45 AM PM SHALE DEPTH 195 TIME 10:15 AM PM

HOLE DIA. 11 FROM 0 TO 314 TD TIME 11:15 AM PM

CIRCULATE, T.O.O.H., SET 310.10 FT CASING 323.10 KB FT DEPTH

0 JOINTS 7 0D #/FT 14 15.5 17 20 23

7 JOINTS 7 0D #/FT 14 15.5 17 20 23

PUMP 90 SAC CEMENT 493 GAL.DISP. CIRC. 3 BBL TO PIT

PLUG DOWN TIME 1:00 AM PM DATE 12-03-09

CEMENT LEFT IN CSG. 20 FT TYPE: PORTLAND CEMENT I/II ASTM C 150
CENTRALIZER 1 CEMENT COST \$ 1717.87

ELEVATION 3501
+12KB 3513

PIPE TALLY

- 1. 45.50
- 2. 45.55
- 3. 45.35
- 4. 37.45
- 5. 45.40
- 6. 45.40
- 7. 45.45
- 8.
- 9.
- 10.
- 11.
- 12.
- 13.
- 14.
- 15.
- 16.

TOTAL 310.10

Daily Drilling Report

PRIORITY OIL & GAS

Well : DeGood 3-28	Spud Date: 12/9/2009	Report Date: 12/10/2009	Days: 1
County CHEYENNE	State: KANSAS	Drig. Supervisor: Gary Duke	Depth: 1425'
Contractor: ADT RIG # 114	KB-MGL: 12'	Last Csg: 4.5" Wt. 10.5#/ft Set @ 1410.92'	
AART: Cement 4 1/2" Csg	API#: 15-023-21215-00	Made 1102 ft. at an avg. ROP of 259.0 fph last 24 hrs.	

Operations Detail				BHA				
From	To	Hrs.		Item	Qty.	OD	ID	Length
0700	12:00	5.00	MOVE IN & RIG UP.	BIT	1	6.26		0.75
12:00	13:00	1.00	PICK UP MUD MOTOR AND DRILL COLLARS.	MUD MOTOR	1	6.0		26.50
13:00	19:15	6.25	Rig repair: thaw out froze up vibrator hose	COLLARS	6	4.75		182.55
19:15	19:45	0.50	Circ through coil	X/O sub	1			0.69
19:45	00:00	4.25	Drl 6 1/8" 323' > 1425'					
00:00	01:30	1.50	Pump Sweep & POOH	Coil				3600.00
01:30	02:00	0.50	LD DC's					
02:00	04:00	2.00	Rig up PSI Loggers & log / loggers TD 1431'					
04:00	06:15	2.25	Rig up & run 35 jts 4 1/2" 10.5lb j-55 ST&C measured 1398>92' Set @ 1410.92'					
06:15	06:45	0.50	Circ & condition csg					
06:45	07:00	0.25	Cement csg w/ 75 sks Class A Type I & II wt 15.4 yeild 1.25					

Total Length: 3810.49			
Rot. Hrs. Since Last Insp.:			
Hookloads (1000#)			
P/U:	SO:	Rot.:	
Torque: NONE			
Rot. Hrs.:	24 hr.:	4.25	CUM: 3.50
Fluid Losses (bbls.)			
Mud last 24 hrs:	0	CUM:	0
Wtr. last 24 hrs:	0	CUM:	0
Brine last 24 hrs:	0	CUM:	0

			Surveys		
	MD	Angle	Dir.		
Niobrara Top 1242' bottom 1286' (44')					
Average porosity 40%					
Deep resistivity High 6.5 Low 4 Average 4.75					
Water Saturation 51%					
Tot. Hrs.: 24.00					

Bit Run Data												
Bit #	Size	Mfg	Type	Serial No.	Jets	Depth In	Depth Out	Footage	Hrs.	WOB	RPM	Dull Grade
1RR	6.25"	HBC	628	G75189	9/6=.373ffa	323	1425	1102	4.25	3-5	236	

Pumps & Hydraulics										
Pump #	Model	SPM	Liner	Stroke	GPM	Pressure	DP AV	DC AV	Jet Velocity	
1	GD PHA	150	4 1/2	8"	326	1350	334	386	203	

Mud Properties																		
WT	VIS	WL	F/C	PV	YP	GEL	ph	Slds	Sand	CL	CA	Oil/H2O	PF	MF	PM	KCL%	LCM%	MBT
8.8	37																	
Cum Mud Cost: \$ \$0																		

Remarks: Mud materials used last 24 hrs: SODIUM BICARB (4), DRISPAC (3), KCL (35), Poly (2.5)

Rig Crew Status:	Day: 5	Night: 4	Accidents: NONE
Fuel (gals.):	Beginning:	Rec'd	End: Used:
Lithology: SHALE	Last BOP test: NA		Temperature: -6°wind chill-22
Daily Well Cost: \$61,322	Cumulative Well Cost: \$61,322		RIG PHONE 970-630-6406

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KCC WICHITA

Daily Drilling Report

PRIORITY OIL & GAS

Well : DeGood 3-28	Spud Date: 12/9/2009	Report Date: 12/11/2009	Days: 2
County CHEYENNE	State: KANSAS	Drig. Supervisor: Gary Duke	Depth: 1425'
Contractor: ADT RIG # 114	KB-MGL: 12'	Last Csg: 4.5" Wt. 10.5#/ft Set @	1410.92'
AART: Release rig	API#: 15-023-21215-00	Made	ft. at an avg. ROP of fph last 24 hrs.

Operations Detail			BHA					
From	To	Hrs.		Item	Qty.	OD	ID	Length
0700			Cement prod csg w/ 75 sk Class A Type I & II wt. 15.4 yeild 1.25 / Displace w/ 22.4 bbls KCL water to 1409.92' PBTd 07:30 hrs / bump plug 2000 psi					
	07:30	0.50	Plug held					
07:30	07:45	0.25	Nipple down bop & set slips					
07:45			Wireline surveys					
			Total Length: 0.00					
			Rot. Hrs. Since Last Insp.:					
			Hookloads (1000#)					
			P/U:	SO:	Rot.:			
			Torque: NONE					
			Rot. Hrs.:	24 hr.:	CUM:			
			Fluid Losses (bbls.)					
			Mud last 24 hrs:	0	CUM:		0	
			Wtr. last 24 hrs:	0	CUM:		0	
			Brine last 24 hrs:	0	CUM:		0	
			Surveys					
				MD	Angle	Dir.		
				325	0.63			
				700	2.18			
				1200	0.82			
				1375	0.53			
Tot. Hrs.: 0.75								

Bit Run Data												
Bit #	Size	Mfg	Type	Serial No.	Jets	Depth In	Depth Out	Footage	Hrs.	WOB	RPM	Dull Grade

Pumps & Hydraulics										
Pump #	Model	SPM	Liner	Stroke	GPM	Pressure	DP AV	DC AV	Jet Velocity	

Mud Properties																		
WT	VIS	WL	F/C	PV	YP	GEL	ph	Slds	Sand	CL	CA	Oil/H2O	PF	MF	PM	KCL%	LCM%	MBT

Remarks: Cum Mud Cost: \$0

Mud materials used last 24 hrs:

Rig Crew Status:	Day: 5	Night:	Accidents: NONE
Fuel (gals.):	Beginning:	Rec'd	End: Used:
Lithology:			Last BOP test: NA
Daily Well Cost: \$61,322	Cumulative Well Cost: \$61,322	RIG PHONE 970-630-6406	Temperature: -6/wind chill-20

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MAR 31 2010
KCC WICHITA