



Operator Name: Thoroughbred Associates LLC Lease Name: DJG Well #: 1-3 **FEB 09 2009**  
 Sec. 3 Twp. 17 S. R. 26  East  West County: Ness **CONFIDENTIAL**

**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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br><i>(Attach Additional Sheets)</i><br><br>Samples Sent to Geological Survey <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br><br>Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No<br>Electric Log Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br><i>(Submit Copy)</i><br><br>List All E. Logs Run:<br><b>DIL, CNL/CDL, MEL, BHCS</b> | <input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample<br><br><table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:70%;">Name</td> <td style="width:15%;">Top</td> <td style="width:15%;">Datum</td> </tr> <tr> <td>Base Anhydrite</td> <td>2038</td> <td>+574</td> </tr> <tr> <td>Heebner</td> <td>3894</td> <td>-1283</td> </tr> <tr> <td>LKC</td> <td>3932</td> <td>-1321</td> </tr> <tr> <td>BKC</td> <td>4241</td> <td>-1630</td> </tr> <tr> <td>Ft. Scott</td> <td>4438</td> <td>-1827</td> </tr> <tr> <td>Mississippi</td> <td>4533</td> <td>-1922</td> </tr> </table> | Name  | Top | Datum | Base Anhydrite | 2038 | +574 | Heebner | 3894 | -1283 | LKC | 3932 | -1321 | BKC | 4241 | -1630 | Ft. Scott | 4438 | -1827 | Mississippi | 4533 | -1922 |
| Name   | Top   | Datum |     |       |                |      |      |         |      |       |     |      |       |     |      |       |           |      |       |             |      |       |
| Base Anhydrite   | 2038  | +574  |     |       |                |      |      |         |      |       |     |      |       |     |      |       |           |      |       |             |      |       |
| Heebner  | 3894  | -1283 |     |       |                |      |      |         |      |       |     |      |       |     |      |       |           |      |       |             |      |       |
| LKC  | 3932  | -1321 |     |       |                |      |      |         |      |       |     |      |       |     |      |       |           |      |       |             |      |       |
| BKC  | 4241  | -1630 |     |       |                |      |      |         |      |       |     |      |       |     |      |       |           |      |       |             |      |       |
| Ft. Scott  | 4438  | -1827 |     |       |                |      |      |         |      |       |     |      |       |     |      |       |           |      |       |             |      |       |
| Mississippi  | 4533  | -1922 |     |       |                |      |      |         |      |       |     |      |       |     |      |       |           |      |       |             |      |       |

| 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"                    | 20                | 257           | Common         | 180          | 2% gel, 3% cc              |
| Production  | 7-7/8"            | 5.5"                      | 15.5              | 4640          | See Attached   | 650          | See Attached               |
|   |                   |                           |                   |               |                |              |                            |

| ADDITIONAL CEMENTING / SQUEEZE RECORD  |                  |                |             |                            |
|--|------------------|----------------|-------------|----------------------------|
| Purpose:   | Depth Top Bottom | Type of Cement | #Sacks Used | Type and Percent Additives |
| <input type="checkbox"/> Perforate<br><input type="checkbox"/> Protect Casing<br><input type="checkbox"/> Plug Back TD<br><input type="checkbox"/> Plug Off Zone |                  |                |             |                            |
|  |                  |                |             |                            |

| Shots Per Foot | PERFORATION RECORD - Bridge Plugs Set/Type<br>Specify Footage of Each Interval Perforated | Acid, Fracture, Shot, Cement Squeeze Record<br><i>(Amount and Kind of Material Used)</i> | Depth   |
|----------------|---|--|---------|
| 4              | 4564-68 Mississippi   | 1250 gallons 15% HCL   | 4564-68 |
|                |   |  |         |
|                |   |  |         |

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**WICHITA, KS**

|   |                     |   |                       |  |         |
|---|---------------------|---|-----------------------|--|---------|
| TUBING RECORD:  | Size: <b>2-7/8"</b> | Set At: <b>4582</b>   | Packer At:            | Liner Run: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |         |
| Date of First, Resumed Production, SWD or Enhr.<br><b>1/28/09</b> |                     | 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. <b>30</b> | Gas Mcf <b>0</b>  | Water Bbls. <b>25</b> | Gas-Oil Ratio  | Gravity |

|   |   |   |
|---|---|---|
| DISPOSITION OF GAS:<br><input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease<br><i>(If vented, Submit ACO-18.)</i> | METHOD OF COMPLETION:<br><input type="checkbox"/> Open Hole <input checked="" type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled<br><input type="checkbox"/> Other (Specify) _____ | PRODUCTION INTERVAL:<br>Mississippi 4564-68 |
|---|---|---|

WICHITA 1 W 2 1/2 S 1/2 E 1/4 S INTO

# BASIC

energy services, L.P.

PAGE 1 of DEC 17 2008

## TREATMENT REPORT

|  |                      |                     |           |                                  |                 |
|--|----------------------|---------------------|-----------|----------------------------------|-----------------|
| Customer <b>Be Rexco</b>                         |                      | Lease No.           |           | Date                             |                 |
| Lease <b>D 316</b>                               |                      | Well # <b>1-3</b>   |           | <b>12-13-08</b>                  |                 |
| Field Order # <b>19202</b>                       | Station <b>Pratt</b> | Casing <b>5 1/2</b> | Depth     | County <b>NESS</b>               | State <b>KS</b> |
| Type Job <b>CNW 5 1/2 Two stages long string</b> |                      |                     | Formation | Legal Description <b>3-17-26</b> |                 |

| PIPE DATA                   |                          | PERFORATING DATA      |    | FLUID USED                     |            | TREATMENT RESUME |                            |  |
|-----------------------------|--------------------------|-----------------------|----|--------------------------------|------------|------------------|----------------------------|--|
| Casing Size <b>5 1/2</b>    | Tubing Size <b>5 1/2</b> | Shots/Ft              |    | Acid <b>100 sk A-sol Lite</b>  | RATE       | PRESS            | ISIP <b>KCC</b>            |  |
| Depth <b>4642.73</b>        | Depth <b>2045</b>        | From <b>D.V. Tool</b> | To | Pre Pad <b>200 sk AA-2 cat</b> | Max        |                  | 5 Min <b>FEB 09 2009</b>   |  |
| Volume <b>110</b>           | Volume <b>47</b>         | From                  | To | Pad                            | Min        |                  | 10 Min <b>CONFIDENTIAL</b> |  |
| Max Press <b>2,000</b>      | Max Press                | From                  | To | Frac                           | Avg        |                  | 15 Min                     |  |
| Well Connection <b>P.C.</b> | Annulus Vol.             | From                  | To |                                | HHP Used   |                  | Annulus Pressure           |  |
| Plug Depth <b>4602.67</b>   | Packer Depth             | From                  | To | Flush                          | Gas Volume |                  | Total Load                 |  |

|                         |                                   |                               |
|-------------------------|-----------------------------------|-------------------------------|
| Customer Representative | Station Manager <b>DAVE SCOTT</b> | Treater <b>Robert Johnson</b> |
|-------------------------|-----------------------------------|-------------------------------|

|               |                 |               |               |              |       |       |       |
|---------------|-----------------|---------------|---------------|--------------|-------|-------|-------|
| Service Units | 19867           | 19959         | 20920         | 19831        | 19862 | 19832 | 20000 |
| Driver Names  | <b>Sullivan</b> | <b>Melton</b> | <b>Florin</b> | <b>Roush</b> |       |       |       |

| Time | Casing Pressure | Tubing Pressure | Bbls. Pumped | Rate | Service Log   |
|------|-----------------|-----------------|--------------|------|---|
| 0930 | 40              |                 |              |      | on loc Satty meeting  |
|      |                 |                 |              |      | Run 116.5 ft 5 1/2 15.5 lb casing                                 |
|      |                 |                 |              |      | Cent. 1, 2, 4, 6, 8, 10, 11, 14, 16, 64, 66. Baker 65, 66, 91, 11 |
|      |                 |                 |              |      | D.V. Tool bit 65-66. 2045   |
| 0335 |                 |                 |              |      | CASING ON BOTTOM  |
| 0350 |                 |                 |              |      | Hook Rig to Blank circ.   |
| 0425 | 150             |                 | 12           | 4    | Start Super Flush   |
|      |                 |                 | 5            | 4    | Start H <sup>2</sup> O spacer                                     |
|      |                 |                 |              | 5    | mix 100 sk A solv. Liti @ 13 1/2 gal                              |
|      | 150             |                 |              | 5    | mix 200 sk AA-2 cat @ 14.6 gal                                    |
| 0445 |                 |                 |              |      | Start down wash pump + Link                                       |
|      |                 |                 |              |      | Release Plug  |
| 0447 | 100             |                 | 61           | 5.5  | Start Deep w H <sup>2</sup> O                                     |
|      |                 |                 | 65           |      | Start mud D.V.  |
|      | 250             |                 | 65           |      | Let Ps.   |
|      | 500             |                 |              | 4    | Slow Rate   |
| 0510 | 2,000           |                 | 110          | 3.5  | Plug down   |
| 0515 |                 |                 |              |      | DROP OPENING TOOL D.V.  |
| 0530 | 800             |                 | 10           |      | Open Tool w/ Truck  |
| 0535 |                 |                 |              |      | Hook Rig to Circ  |

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|                            |          |                      |                    |                       |                  |
|----------------------------|----------|----------------------|--------------------|-----------------------|------------------|
| Customer: <i>Belexco</i>   |          | Lease No.:           |                    | Date: <i>12-13-08</i> |                  |
| Lease: <i>DUG</i>          |          | Well # <i>1-3</i>    |                    |                       |                  |
| Field Order # <i>19202</i> | Station: | Casing <i>5 1/2"</i> | Depth <i>2045'</i> | County: <i>NESS</i>   | State: <i>KS</i> |
| Type Job: <i>CNW</i>       |          |                      | Formation:         | Legal Description:    |                  |

| PIPE DATA                   |              | PERFORATING DATA |            | FLUID USED               |            | TREATMENT RESUME |       |                                |
|-----------------------------|--------------|------------------|------------|--------------------------|------------|------------------|-------|--------------------------------|
| Casing Size <i>2 1/2"</i>   | Tubing Size  | Shots/Ft         | <i>CMT</i> | Acid <i>325 st A-con</i> |            | RATE             | PRESS | ISIP                           |
| Depth <i>2045'</i>          | Depth        | From             | To         | Pre Pad                  | Max        |                  |       | <i>KCC</i><br>5 Min.           |
| Volume <i>49</i>            | Volume       | From             | To         | Pad                      | Min        |                  |       | <i>FEB 10 2009</i><br>10 Min.  |
| Max Press <i>1500</i>       | Max Press    | From             | To         | Frac                     | Avg        |                  |       | <i>CONFIDENTIAL</i><br>15 Min. |
| Well Connection <i>P.C.</i> | Annulus Vol. | From             | To         |                          | HHP Used   |                  |       | Annulus Pressure               |
| Plug Depth <i>2045'</i>     | Packer Depth | From             | To         | Flush                    | Gas Volume |                  |       | Total Load                     |

|                          |  |  |                                    |  |  |                                |  |  |
|--------------------------|--|--|------------------------------------|--|--|--------------------------------|--|--|
| Customer Representative: |  |  | Station Manager: <i>DAVE SCOTT</i> |  |  | Treater: <i>Robert Jullion</i> |  |  |
| Service Units            |  |  |                                    |  |  |                                |  |  |
| Driver Names             |  |  |                                    |  |  |                                |  |  |

| Time        | Casing Pressure | Tubing Pressure | Bbls. Pumped | Rate       | Service Log                                 |
|-------------|-----------------|-----------------|--------------|------------|---|
| <i>0705</i> | <i>150</i>      |                 | <i>10</i>    | <i>4</i>   | <i>Start A<sup>20</sup> spacer</i>          |
|             |                 |                 | <i>1</i>     | <i>5.5</i> | <i>Start mixing 325 st A-con blend</i>      |
|             |                 |                 |              |            | <i>CMT to surface no</i>                    |
| <i>0732</i> |                 |                 | <i>150</i>   |            | <i>Shut down ANIS wash pump &amp; lines</i> |
|             |                 |                 |              |            | <i>Release Plug</i>                         |
| <i>0735</i> |                 |                 |              | <i>4.5</i> | <i>Start Disp</i>                           |
|             | <i>300</i>      |                 | <i>30</i>    | <i>3.5</i> | <i>Slow Rate hits Ps.</i>                   |
| <i>0744</i> |                 |                 | <i>49</i>    |            | <i>Plug down CMT to surface 10 min</i>      |
| <i>0745</i> | <i>1500</i>     |                 |              | <i>3.5</i> | <i>Close D.V. Tool</i>                      |
| <i>0800</i> |                 |                 | <i>7</i>     |            | <i>Plug R.H. a M.H.</i>                     |
| <i>0830</i> |                 |                 |              |            | <i>Job Complete</i>                         |
|             |                 |                 |              |            | <i>Thank you</i>                            |

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# ALLIED CEMENTING CO., LLC. 33480

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

SERVICE POINT:  
Ness City

|                         |                   |                |   |                           |                            |                          |                           |
|-------------------------|-------------------|----------------|---|---------------------------|----------------------------|--------------------------|---------------------------|
| DATE <u>12-2-08</u>     | SEC <u>3</u>      | TWP <u>17s</u> | RANGE <u>26W</u>                                    | CALLED OUT <u>2:00 AM</u> | ON LOCATION <u>2:30 AM</u> | JOB START <u>4:30 AM</u> | JOB FINISH <u>5:30 AM</u> |
| LEASE <u>DJG</u>        | WELL # <u>1-3</u> |                | LOCATION <u>Utica, W to rd "C", 2 1/2 S, E into</u> |                           |                            | COUNTY <u>Ness</u>       | STATE <u>KS</u>           |
| OLD OR NEW (Circle one) |                   |                |   |                           |                            |                          |                           |

CONTRACTOR Beredco #10

TYPE OF JOB Surface

HOLE SIZE 12 1/4 T.D. 260'

CASING SIZE 8 3/8 DEPTH 257.64'

TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_

DRILL PIPE \_\_\_\_\_ DEPTH \_\_\_\_\_

TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_

PRES. MAX 250 psi MINIMUM \_\_\_\_\_

MEAS. LINE \_\_\_\_\_ SHOE JOINT 20ft

CEMENT LEFT IN CSG 20ft

PERFS. \_\_\_\_\_

DISPLACEMENT Freshwater

OWNER Throughbred

CEMENT

AMOUNT ORDERED 180 sk Common, 3% cc, 2% gel

|                               |                |   |              |                |
|-------------------------------|----------------|---|--------------|----------------|
| COMMON                        | <u>180 sk.</u> | @ | <u>13.65</u> | <u>2457.00</u> |
| POZMIX                        |                | @ |              |                |
| GEL                           | <u>4 sk.</u>   | @ | <u>20.40</u> | <u>81.60</u>   |
| CHLORIDE                      | <u>6 sk.</u>   | @ | <u>57.15</u> | <u>342.90</u>  |
| ASC                           |                | @ |              |                |
| RECEIVED                      |                | @ |              |                |
| KANSAS CORPORATION COMMISSION |                | @ |              |                |
| FEB 11 2009                   |                | @ |              |                |
| CONSERVATION DIVISION         |                | @ |              |                |
| WICHITA, KS                   |                | @ |              |                |
| HANDLING                      | <u>190 sk</u>  | @ | <u>2.25</u>  | <u>427.50</u>  |

EQUIPMENT

PUMP TRUCK CEMENTER Tyler

# 3666 HELPER Joe

BULK TRUCK

# 456/173 DRIVER Jack

BULK TRUCK

# \_\_\_\_\_ DRIVER \_\_\_\_\_

KCC  
FEB 09 2009  
CONFIDENTIAL

**THOROUGHBRED ASSOCIATES  
DJG # 1-3  
290'N OF C S2 SECTION 3 T17S-R26W  
NESS, KANSAS**

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**GEOLOGIST  
WILLIAM B. BYNOG**

## RESUME

OPERATOR: THOROUGHbred ASSOCIATES

WELL NAME & NUMBER: DGJ # 1-3

LOCATION: SECTION 3 T17S-R26W

COUNTY: NESS

STATE: KANSAS

SPUD DATE: 12-1-2008 COMPLETION DATE: 12-13-2008

ELEVATIONS: GL: 2602' KB: 2611'

CONTRACTOR: BEREDCO RIG 2

LOGS: LOG-TECH TYPES: DIL, DENSITY-NEUTRON,  
MICROLOG & SONIC  
ENGINEER: JOE CRATHORNE

WELLSITE ENGINEER: NONE

MUD COMPANY: MUD CO. MUD

MUD TYPE & ENGINEER: FRESH CHEMICAL: JODY DIETZ

GEOLOGIST: WILLIAM B. BYNOG

HOLE SIZE: 7 7/8

MUD LOGGING BY: NONE

DRILL STEM TEST COMPANY: TRILOBITE TESTING

DRILL STEM TEST: DST # 1 4418-4541, DST#2 4541-51,  
DST#3 4548-80

WELL STATUS: SET PRODUCTION PIPE

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## SUMMARY AND CONCLUSION

DJG # 1-3 was drilled a total depth of 4637 testing the Lansing Kansas City, Pawnee and Mississippian formations in Ness county, Kansas.

The first show encountered was in the lower Marmaton at 4322-28 feet. The Marmaton zone was a microcrystalline Limestone with poorly developed porosity and very spotty heavy black stain, no free oil. Drilling continued to the Cherokee section.

The Cherokee had twenty feet of sand development from 4512 to 4532 feet with good oil shows and fair porosity development. This zone was tested along with the upper Fort Scott on Drill stem test # 1 recovering 245 feet of gas in pipe, 30 feet of clean oil, 61 feet of gassy mud cut oil and 182 feet of gassy oil cut mud.

A very good show of oil with good porosity development was encountered in the upper most Mississippian at 4540-50 feet. This zone was tested on Drill stem test # 2 recovering 45 feet of clean oil and 61 feet of mud cut oil, no water. There were also very good shows and porosity development in the next 30 feet from 4560 to 4580 feet. These zones were also tested on drill stem test # 3 recovering 341 feet of gas in pipe, 341 feet of gassy clean oil, 124 feet of gassy mud cut oil and 183 feet of gassy oil cut mud, no water. The lower Mississippian zones below this point were wet with no shows but had good porosity development.

Logs agreed with sample evaluation recording good porosity development with high resistivity in the Cherokee Sands and upper Mississippian section. The upper Mississippian productive zones are separated from the wet zones below by an impermeable dense Limestone. A decision was made to set production pipe based on the favorable logs and drill stem tests in the Cherokee and Mississippian zones.

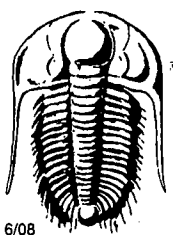
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## FORMATION TOPS

| FORMATION     | DEPTH (LOGS) |
|---------------|--------------|
| STONE CORRAL  | 2008(+603)   |
| TOPEKA        |              |
| 35' ZONE      |              |
| PLATTSMOUTH   |              |
| HEEBNER       | 3892(-1281)  |
| TORONTO       | 3912(-1301)  |
| LANSING A     | 3934(-1323)  |
| B ZONE        |              |
| C/D           |              |
| F ZONE        |              |
| STARK         | 4178(-1567)  |
| H ZONE        |              |
| J ZONE        |              |
| K ZONE        |              |
| BKC           | 4240(-1629)  |
| MARMATON      | 4272(-1661)  |
| PAWNEE        | 4370(-1759)  |
| FORT SCOTT    | 4438(-1827)  |
| CHEROKEE      | 4464(-1853)  |
| MISSISSIPPIAN | 4544(-1933)  |

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# TRILOBITE TESTING INC.

P.O. Box 1733 • Hays, Kansas 67601

## Test Ticket

Well Name & No. DJG #1-3 Test No. 1 Date 12-9-08  
 Company Thoroughbred Assoc, LLC Zone Tested Cherokee  
 Address 8100 E. 22<sup>nd</sup> St. N. Bldg. 600 Ste. F Wichita, KS 67226 Elevation 2611 KB 2602 GL  
 Co. Rep / Geo. Bryan Bynog Rig Beredco #10  
 Location: Sec. 3 Twp. 17b Rge. 26w Co. Ness State KS  
 Comment: \_\_\_\_\_

Interval Tested 4418 - 4523 Drill Pipe Size 4"  
 Anchor Length 105 Wt. Pipe Run 0  
 Top Packer Depth 4414 Drill Collar Run 203  
 Bottom Packer Depth 4418 Ft. Run 4,207  
 Total Depth 4523 Recorder #(s) 8017 + 8351

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Blow Description IF: 5 1/2" Blow. Had a problem turning the tool, accidentally flushed.  
ISI: No return.  
FF: 4 1/2" Blow.  
FSI: 1" Return, died @ 28min.

| Recovery - Total Feet  | GIP            | Ft. in DC      | Ft. in DP             |
|--|----------------|----------------|-----------------------|
| <u>334</u>   | <u>245</u>     | <u>203</u>     | <u>131</u>            |
| Rec. <u>30</u> Feet of <u>GO</u>   | <u>15</u> %gas | <u>85</u> %oil | %water %mud           |
| Rec. <u>61</u> Feet of <u>GMO</u>  | <u>10</u> %gas | <u>80</u> %oil | %water <u>10</u> %mud |
| Rec. <u>61</u> Feet of <u>GOCM</u>   | <u>10</u> %gas | <u>5</u> %oil  | %water <u>85</u> %mud |
| Rec. <u>182</u> Feet of <u>GOCM</u>  | <u>15</u> %gas | <u>4</u> %oil  | %water <u>81</u> %mud |
| Rec. _____ Feet of _____   | %gas           | %oil           | %water %mud           |
| BHT <u>117</u> °F Gravity <u>35</u> °API D @ <u>30</u> °F Corrected Gravity <u>38</u> °API |                |                |                       |
| RW _____ @ _____ °F Chlorides _____ ppm Recovery _____ Chlorides <u>4,400</u> ppm System   |                |                |                       |

|                        |                |
|------------------------|----------------|
| IF <u>30</u>           | <u>42-107</u>  |
| ISI <u>73</u>          | <u>991</u>     |
| FF <u>60</u>           | <u>124-153</u> |
| FSI <u>92</u>          | <u>940</u>     |
| T-on Loc <u>18:30</u>  |                |
| T-started <u>22:10</u> |                |
| T-open <u>23:59</u>    |                |
| T-pulled <u>5:17</u>   |                |
| T-out <u>8:35</u>      |                |

Test 1,300  
 Jars 250  
 Safety Joint 75  
 Circ Sub N/C  
 Hourly Standby 4 hrs 400  
 Mileage 102 127<sup>50</sup>  
 Sub Total \_\_\_\_\_

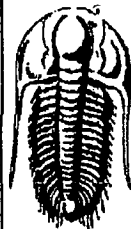
Sampler \_\_\_\_\_  
 Straddle \_\_\_\_\_  
 Shale Packer \_\_\_\_\_  
 Extra Packer \_\_\_\_\_  
 Extra Recorder \_\_\_\_\_  
 Other \_\_\_\_\_  
 Sub Total \_\_\_\_\_

Day Standby \_\_\_\_\_  
 Accessibility \_\_\_\_\_  
 Ruined Shale Packer \_\_\_\_\_  
 Ruined Packer 1 260  
 Extra Copies \_\_\_\_\_  
 Sub Total \_\_\_\_\_  
 Total \_\_\_\_\_

Trilobite Testing, Inc. shall not be liable for damage of any kind of the property or personnel of the one for whom a test is made, or for any loss suffered or sustained, directly or indirectly, through the use of its equipment, or its statements or opinion concerning the results of any test, tools lost or damaged in the hole shall be paid for at cost by the party for whom the test is made.

Approved By [Signature]

Our Representative Chuck Smith



**TRILOBITE  
TESTING, INC**

# DRILL STEM TEST REPORT

Thoroughbred Associates, LLC

DJG #1-3

8100 E. 22nd St. N.  
Bldg. 600 Ste. F  
Wichita, KS 67226  
ATTN: Bryan Bynog

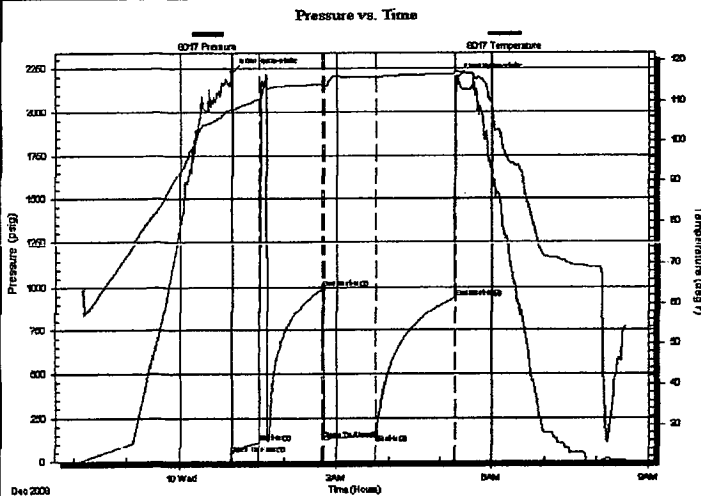
S3-17s-26w Ness,KS  
Job Ticket: 33572      DST#: 1  
Test Start: 2008.12.09 @ 22:09:05

## GENERAL INFORMATION:

Formation: Cherokee  
Deviated: No Whipstock: ft (KB)  
Time Tool Opened: 00:59:10  
Time Test Ended: 08:35:15  
Test Type: Conventional Bottom Hole  
Tester: Chuck Smith  
Unit No: 37  
Interval: 4418.00 ft (KB) To 4523.00 ft (KB) (TVD)  
Reference Elevations: 2611.00 ft (KB)  
Total Depth: 4523.00 ft (KB) (TVD)      2602.00 ft (CF)  
Hole Diameter: 7.88 inches Hole Condition: Good      KB to GR/CF: 9.00 ft

Serial #: 8017      Inside  
Press@RunDepth: 152.57 psig @ 4419.00 ft (KB)      Capacity: 7000.00 psig  
Start Date: 2008.12.09      End Date: 2008.12.10      Last Calib.: 2008.12.10  
Start Time: 22:09:05      End Time: 08:35:15      Time On Btm: 2008.12.10 @ 00:58:55  
Time Off Btm: 2008.12.10 @ 05:20:14

TEST COMMENT: IF 5 1/2" Blow, tool was accidentally flushed w hile trying to get it to turn to shut-in position.  
IS: No return.  
FF: 4 1/2" Blow.  
FST: 1" Return, died @ 28 min.



## PRESSURE SUMMARY

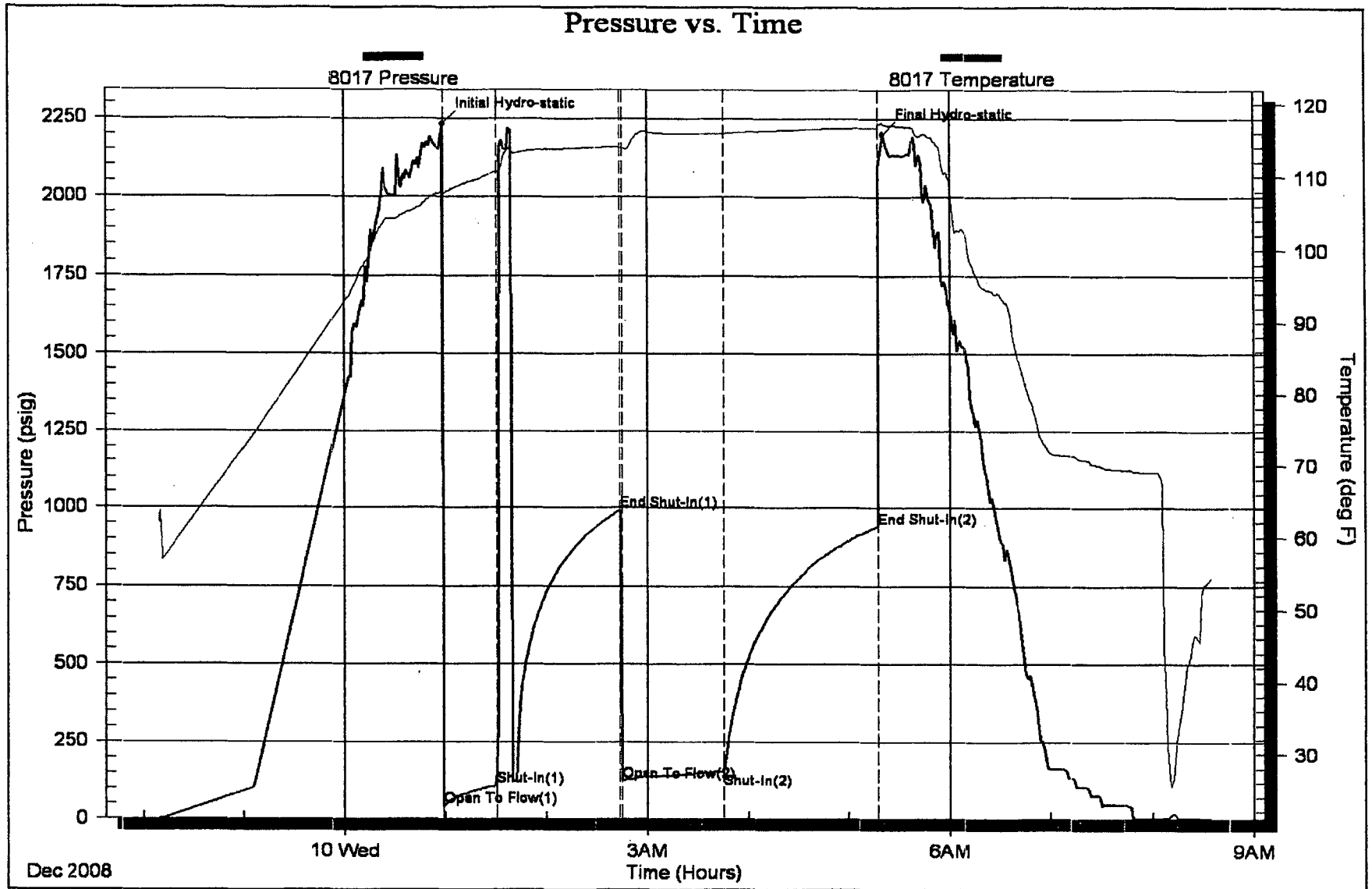
| Time (Min.) | Pressure (psig) | Temp (deg F) | Annotation           |
|-------------|-----------------|--------------|----------------------|
| 0           | 2231.58         | 108.01       | Initial Hydro-static |
| 1           | 42.31           | 107.51       | Open To Flow (1)     |
| 32          | 107.03          | 110.62       | Shut-In(1)           |
| 105         | 991.18          | 114.07       | End Shut-In(1)       |
| 106         | 124.46          | 113.85       | Open To Flow (2)     |
| 167         | 152.57          | 115.90       | Shut-In(2)           |
| 259         | 939.66          | 116.76       | End Shut-In(2)       |
| 262         | 2199.21         | 117.40       | Final Hydro-static   |

## Recovery

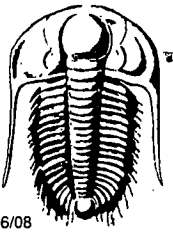
| Length (ft) | Description         | Volume (bbl) |
|-------------|---------------------|--------------|
| 182.00      | GOCM 15%G 4%O 81%M  | 0.71         |
| 61.00       | GOCM 10%G 5%O 85%M  | 0.53         |
| 61.00       | GMCO 10%G 10%M 80%O | 0.69         |
| 30.00       | GO 15%G 85%O        | 0.34         |
| 0.00        | 245 Feet GIP        | 0.00         |

## Gas Rates

|  | Choke (Inches) | Pressure (psig) | Gas Rate (Mcf/d) |
|--|----------------|-----------------|------------------|
|  |                |                 |                  |



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# TRILOBITE TESTING INC.

33573

P.O. Box 1733 • Hays, Kansas 67601

## Test Ticket

Well Name & No. DJG #1-3 Test No. 2 Date 12-10-08  
 Company Thoroughbred Assoc., LLC Zone Tested Mississippian  
 Address \_\_\_\_\_ Elevation 2611 KB 2602 GL \_\_\_\_\_  
 Co. Rep / Geo. Bryan Bynog Rig Beredco #10  
 Location: Sec. 3 Twp. 17b Rge. 26w Co. Ness State KS  
 Comment: \_\_\_\_\_

Interval Tested 4541 - 4551 Drill Pipe Size 4"  
 Anchor Length 10 Wt. Pipe Run 0  
 Top Packer Depth 4537 Drill Collar Run 203  
 Bottom Packer Depth 4541 Ft. Run 4328  
 Total Depth 4551 Recorder #(s) 8017 + 835

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Blow Description IF: 3" Blow.  
ISI: No return.  
FF: 3 1/2" Blow.  
FSI: Weak return, died @ 1 min.

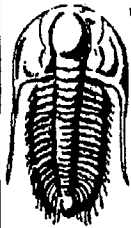
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WICHITA KS

| Recovery - Total Feet | GIP                  | Ft. in DC             | Ft. in DP                      | %gas     | %oil      | %water | %mud                             |
|-----------------------|----------------------|-----------------------|--------------------------------|----------|-----------|--------|----------------------------------|
| <u>106</u>            | <u>75 weak</u>       | <u>106</u>            | <u>0</u>                       | <u>5</u> | <u>95</u> |        |                                  |
| Rec. <u>45</u>        | Feet of <u>60</u>    |                       |                                |          |           |        |                                  |
| Rec. <u>61</u>        | Feet of <u>MCO</u>   |                       |                                |          | <u>85</u> |        | <u>15</u>                        |
| Rec. _____            | Feet of _____        |                       |                                |          |           |        |                                  |
| Rec. _____            | Feet of _____        |                       |                                |          |           |        |                                  |
| Rec. _____            | Feet of _____        |                       |                                |          |           |        |                                  |
| BHT <u>121</u>        | *F Gravity <u>31</u> | *API D @ <u>30</u>    | *F Corrected Gravity <u>34</u> |          |           |        | *API _____                       |
| RW <u>-</u>           | @ <u>-</u>           | *F Chlorides <u>0</u> | ppm Recovery <u>0</u>          |          |           |        | Chlorides <u>4200</u> ppm System |

|                        |              |  |   |  |
|------------------------|--------------|--|---|--|
| IF <u>30</u>           | <u>20-29</u> | <input checked="" type="checkbox"/> Test _____             | <input type="checkbox"/> Sampler _____                      | <input type="checkbox"/> Day Standby _____         |
| ISI <u>60</u>          | <u>1,254</u> | <input checked="" type="checkbox"/> Jars <u>250</u>        | <input type="checkbox"/> Straddle _____                     | <input type="checkbox"/> Accessibility _____       |
| FF <u>60</u>           | <u>34-50</u> | <input checked="" type="checkbox"/> Safety Joint <u>75</u> | <input checked="" type="checkbox"/> Shale Packer <u>250</u> | <input type="checkbox"/> Ruined Shale Packer _____ |
| FSI <u>90</u>          | <u>1,160</u> | <input checked="" type="checkbox"/> Circ Sub <u>NIC</u>    | <input type="checkbox"/> Extra Packer _____                 | <input type="checkbox"/> Ruined Packer _____       |
| T-on Loc <u>21:45</u>  |              | <input type="checkbox"/> Hourly Standby _____              | <input type="checkbox"/> Extra Recorder _____               | <input type="checkbox"/> Extra Copies _____        |
| T-started <u>22:32</u> |              | <input type="checkbox"/> Mileage <u>102</u> <u>10</u>      | <input type="checkbox"/> Other _____                        |  |
| T-open <u>1:</u>       |              |  |   |  |
| T-pulled <u>5:</u>     |              | Sub Total _____  | Sub Total _____   | Sub Total _____                                    |
| T-out _____            |              |  |   | Total _____  |

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Approved By [Signature] Our Representative Chuck Smith



**TRILOBITE TESTING, INC.**

# DRILL STEM TEST REPORT

Thoroughbred Associates, LLC

DJG #1-3

8100 E. 22nd St. N.  
Bldg. 600 Ste. F  
Wichita, KS 67226  
ATTN: Bryan Bynog

S3-17s-26w Ness,KS

Job Ticket: 33573

DST#: 2

Test Start: 2008.12.10 @ 22:32:00

## GENERAL INFORMATION:

Formation: **Mississippian**  
Deviated: **No Whipstock** ft (KB)  
Time Tool Opened: 01:19:50  
Time Test Ended: 08:10:49

Test Type: **Conventional Bottom Hole**  
Tester: **Chuck Smith**  
Unit No: **37**

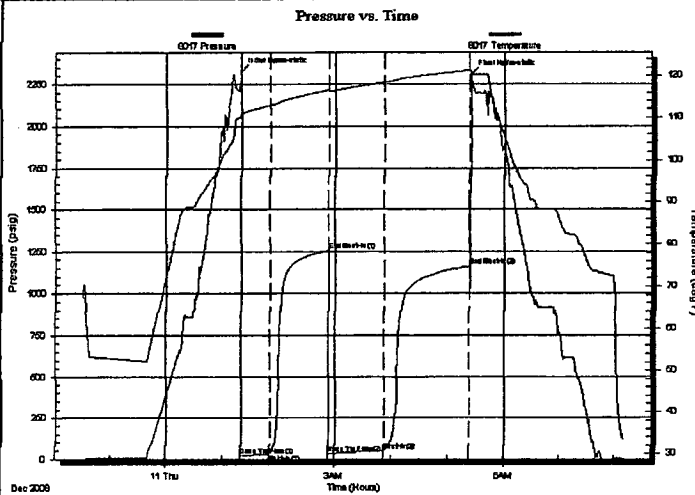
Interval: **4541.00 ft (KB) To 4551.00 ft (KB) (TVD)**  
Total Depth: **4551.00 ft (KB) (TVD)**  
Hole Diameter: **7.88 inches** Hole Condition: **Good**

Reference Elevations: **2811.00 ft (KB)**  
**2602.00 ft (CF)**  
KB to GR/CF: **9.00 ft**

Serial #: **8017** Inside  
Press@RunDepth: **49.65 psig @ 4546.00 ft (KB)**  
Start Date: **2008.12.10** End Date: **2008.12.11**  
Start Time: **22:32:00** End Time: **08:10:49**

Capacity: **7000.00 psig**  
Last Calib.: **2008.12.11**  
Time On Btm: **2008.12.11 @ 01:19:45**  
Time Off Btm: **2008.12.11 @ 05:24:39**

TEST COMMENT: IF: 3" Blow.  
IS: No return.  
FF: 3 1/2" Blow.  
FS: Weak surface blow died @ 1 min.



## PRESSURE SUMMARY

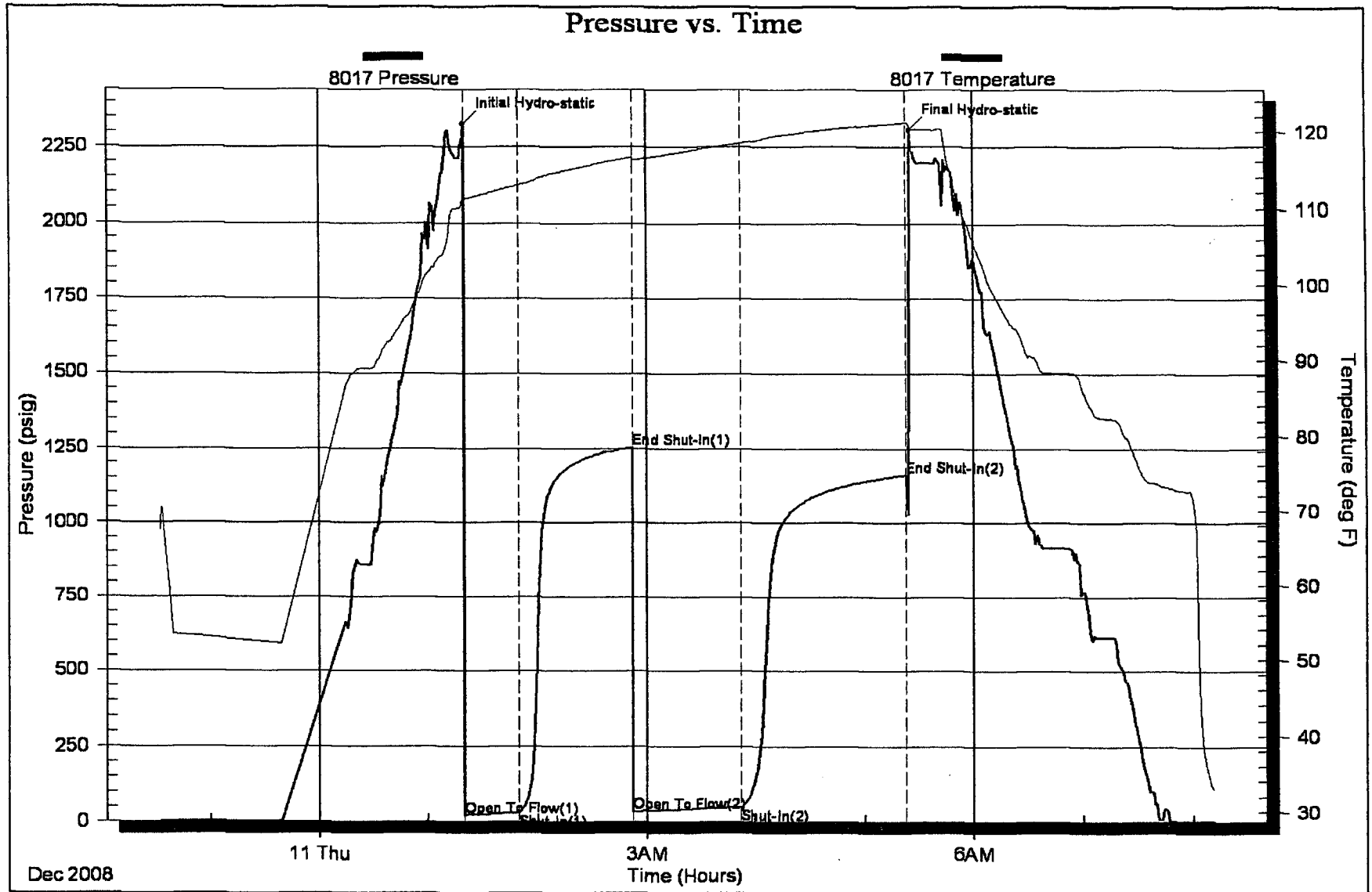
| Time (Min.) | Pressure (psig) | Temp (deg F) | Annotation           |
|-------------|-----------------|--------------|----------------------|
| 0           | 2327.10         | 111.63       | Initial Hydro-static |
| 1           | 20.44           | 110.55       | Open To Flow (1)     |
| 30          | 29.39           | 112.98       | Shut-in(1)           |
| 93          | 1254.29         | 116.59       | End Shut-in(1)       |
| 93          | 33.88           | 116.27       | Open To Flow (2)     |
| 153         | 49.65           | 118.45       | Shut-in(2)           |
| 243         | 1160.38         | 121.23       | End Shut-in(2)       |
| 245         | 2306.78         | 120.87       | Final Hydro-static   |

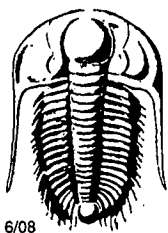
## Recovery

| Length (ft) | Description      | Volume (bbl) |
|-------------|------------------|--------------|
| 61.00       | MCO 15%M 85%O    | 0.24         |
| 45.00       | GO 5%G 95%O      | 0.17         |
| 0.00        | 75 Feet weak GIP | 0.00         |
|             |                  |              |
|             |                  |              |

## Gas Rates

|  | Choke (inches) | Pressure (psig) | Gas Rate (Mcf/d) |
|--|----------------|-----------------|------------------|
|  |                |                 |                  |





# TRILOBITE TESTING INC.

P.O. Box 1733 • Hays, Kansas 67601

## Test Ticket

Well Name & No. DJG #1-3 Test No. 3 Date 12-11-08  
 Company Thoroughbred Assoc., LLC Zone Tested Missippian  
 Address \_\_\_\_\_ Elevation 2611 KB 2602 GL \_\_\_\_\_  
 Co. Rep / Geo. Bryan Bynog Rig Beredco #10  
 Location: Sec. 3 Twp. 17b Rge. 26w Co. Ness State KS  
 Comment: \_\_\_\_\_

Interval Tested 4548 - 4580 Drill Pipe Size 4"  
 Anchor Length 32 Wt. Pipe Run 0  
 Top Packer Depth 4544 Drill Collar Run 203  
 Bottom Packer Depth 4548 Ft. Run 4,333  
 Total Depth 4580 Recorder #(s) 8017 + 8351

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Blow Description IF: B.O.B. @ 13 min.  
ISI: 1" Return died @ 30 min.  
FF: B.O.B @ 14 min.  
FSI: 3/4" Return died @ 25 min.

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Recovery - Total Feet 648 GIP 341 Ft. in DC 203 Ft. in DP 445  
 Rec. 341 Feet of 60 45% gas 55% oil %water %mud  
 Rec. 124 Feet of GMCO 20% gas 45% oil %water 35% mud  
 Rec. 183 Feet of GOCM 25% gas 7% oil %water 68% mud  
 Rec. \_\_\_\_\_ Feet of \_\_\_\_\_ %gas %oil %water %mud  
 Rec. \_\_\_\_\_ Feet of \_\_\_\_\_ %gas %oil %water %mud  
 BHT 124 °F Gravity 35 °API D @ 30 °F Corrected Gravity 38 °API  
 RW \_\_\_\_\_ @ \_\_\_\_\_ °F Chlorides \_\_\_\_\_ ppm Recovery \_\_\_\_\_ Chlorides 5,300 ppm System

|           |              |                |
|-----------|--------------|----------------|
| IF        | <u>30</u>    | <u>34-141</u>  |
| ISI       | <u>60</u>    | <u>1202</u>    |
| FF        | <u>60</u>    | <u>151-252</u> |
| FSI       | <u>90</u>    | <u>1,148</u>   |
| T-on Loc  | <u>18:30</u> |                |
| T-started | <u>20:21</u> |                |
| T-open    | <u>00:06</u> |                |
| T-pulled  | <u>04:07</u> |                |
| T-out     | <u>07:54</u> |                |

Test \_\_\_\_\_  
 Jars 250-  
 Safety Joint 75-  
 Circ Sub N/C  
 Hourly Standby 3 1/2 350-  
 Mileage 102 RT  
 Sub Total \_\_\_\_\_

Sampler \_\_\_\_\_  
 Straddle \_\_\_\_\_  
 Shale Packer 250-  
 Extra Packer \_\_\_\_\_  
 Extra Recorder \_\_\_\_\_  
 Other \_\_\_\_\_  
 Sub Total 250-

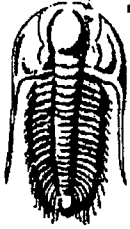
Day Standby \_\_\_\_\_  
 Accessibility \_\_\_\_\_  
 Ruined Shale Packer \_\_\_\_\_  
 Ruined Packer \_\_\_\_\_  
 Extra Copies \_\_\_\_\_  
 Sub Total \_\_\_\_\_  
 Total \_\_\_\_\_

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Approved By [Signature]

Our Representative Chuck Smith





**TRILOBITE TESTING, INC.**

# DRILL STEM TEST REPORT

Thoroughbred Associates, LLC

DJG #1-3

8100 E. 22nd St. N.  
Bldg. 600 Ste. F  
Wichita, KS 67226  
ATTN: Bryan Bynog

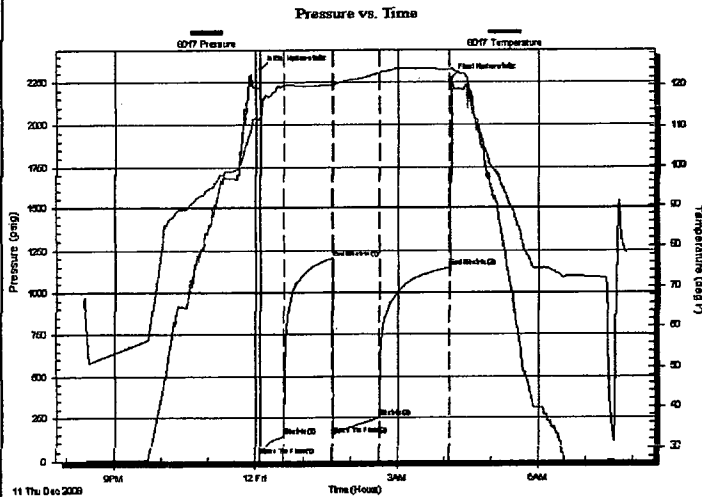
S3-17s-26w Ness,KS  
Job Ticket: 33574      DST#: 3  
Test Start: 2008.12.11 @ 20:21:00

## GENERAL INFORMATION:

Formation: **Mississippian**  
Deviated: **No Whipstock**      ft (KB)  
Time Tool Opened: **00:05:40**  
Time Test Ended: **07:53:40**  
Interval: **4548.00 ft (KB) To 4580.00 ft (KB) (TVD)**  
Total Depth: **4580.00 ft (KB) (TVD)**  
Hole Diameter: **7.88 inches** Hole Condition: **Good**  
Test Type: **Conventional Bottom Hole**  
Tester: **Chuck Smith**  
Unit No: **37**  
Reference Elevations: **2611.00 ft (KB)**  
**2602.00 ft (CF)**  
KB to GR/CF: **9.00 ft**

Serial #: **8017**      Inside  
Press@RunDepth: **251.79 psig @ 4551.00 ft (KB)**      Capacity: **7000.00 psig**  
Start Date: **2008.12.11**      End Date: **2008.12.12**      Last Calib.: **2008.12.12**  
Start Time: **20:21:00**      End Time: **07:53:40**      Time On Btmr: **2008.12.12 @ 00:05:30**  
Time Off Btmr: **2008.12.12 @ 04:09:15**

TEST COMMENT: IF: B.O.B. @ 13 min.  
IS: 1" Return died @ 30 min.  
FF: B.O.B. @ 14 min.  
FS: 3/4" Return died @ 25 min.



## PRESSURE SUMMARY

| Time (Mn.) | Pressure (psig) | Temp (deg F) | Annotation           |
|------------|-----------------|--------------|----------------------|
| 0          | 2325.12         | 112.63       | Initial Hydro-static |
| 1          | 33.60           | 111.79       | Open To Flow (1)     |
| 30         | 141.47          | 119.80       | Shut-In (1)          |
| 91         | 1201.80         | 119.98       | End Shut-In (1)      |
| 92         | 151.13          | 119.55       | Open To Flow (2)     |
| 151        | 251.79          | 122.92       | Shut-In (2)          |
| 242        | 1147.99         | 123.82       | End Shut-In (2)      |
| 244        | 2270.53         | 123.88       | Final Hydro-static   |

## Recovery

| Length (ft) | Description         | Volume (bbl) |
|-------------|---------------------|--------------|
| 183.00      | GOCM 25%G 7%O 68%M  | 0.71         |
| 124.00      | GMCO 20%G 35%M 45%O | 1.25         |
| 341.00      | GO 45%G 55%O        | 3.83         |
| 0.00        | 341 Feet GIP        | 0.00         |
|             |                     |              |
|             |                     |              |

## Gas Rates

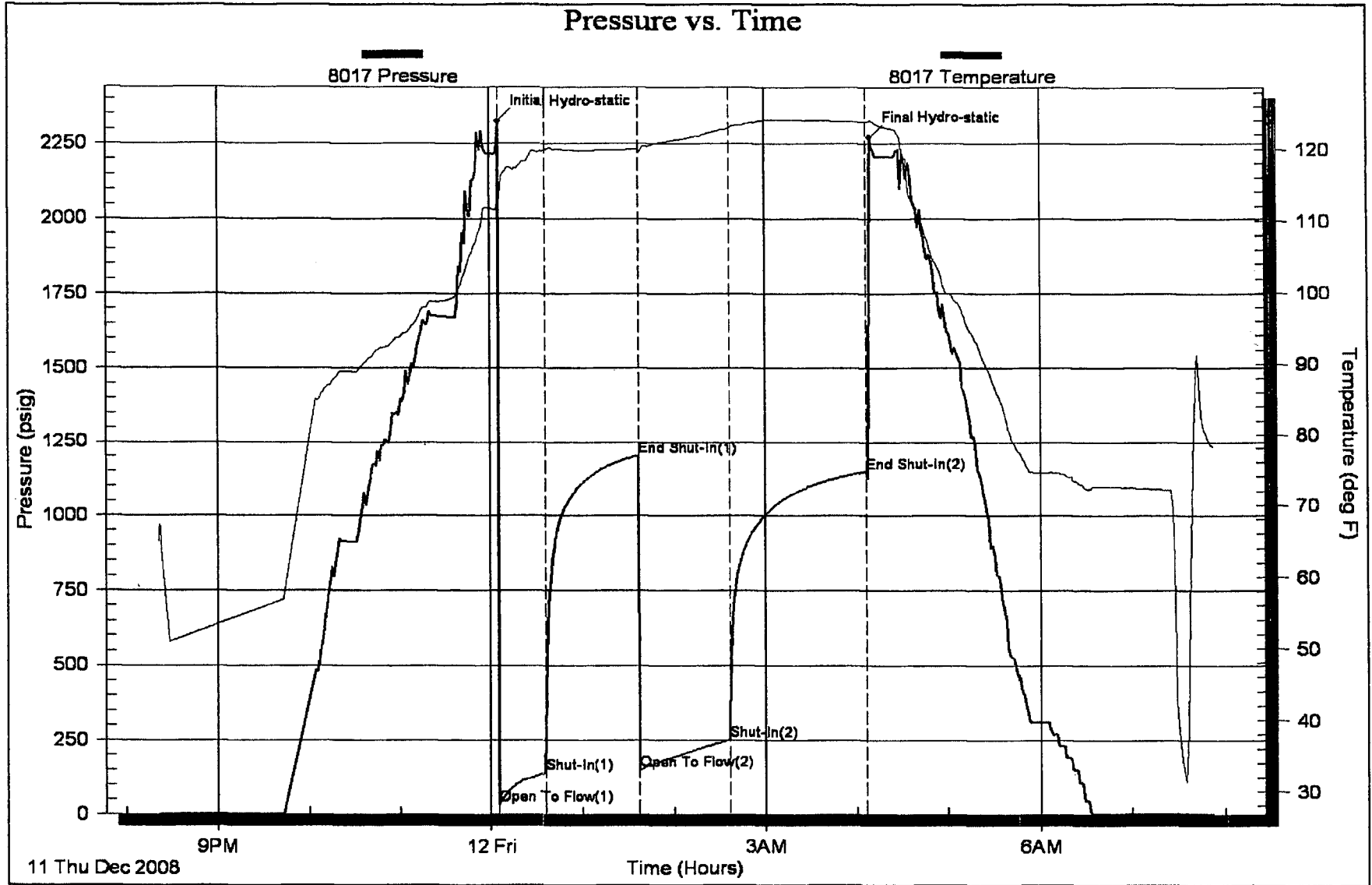
|  | Choke (inches) | Pressure (psig) | Gas Rate (Mcf/d) |
|--|----------------|-----------------|------------------|
|  |                |                 |                  |

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**SAMPLE DESCRIPTIONS**

3500-20 SH var col,rd,gy,gn,frm,arg

3520-54 LS crm,buff,hd,micxln-dns

3554-82 Sh gy,sme rd,hd,dns

3582-3612 LS buff,hd,dns

3612-22 SH aa

3622-62 LS buff,pale gy,hd,crpxln,dns

3662-80LS buff,frm,chlky,foss,slty ip,p por,ns

3680-3750LS pale gy,gy brn,v hd,dns

LS aa tan,v hd,dns

LS gy,gy brn,v hd,dns,foss

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3750-76 LS crm,tan,v hd,dns

3776-3800 LS crm,frm,micxln,foss,f intxln por

LS aa

3800-5 LS buff,v hd,dns,sl chlky

LS aa bcmg more chlky

3850-54 SH blk,dk gy,frm,carb

3854-90 LS buff,hd,dns,chlky,abnt Cht smky

HEEBNER

389-3900 SH blk,frm,fiss,carb

3900-05 LS buff,hd,dns,sl foss

3905-12 SH gy,gn,sme blk,frm,sl carb

3912-26 LS wh,v hd,dns crpxln

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3926-34 SH gy,gn,sme blk,frm,wxy

LANSING

3934-62 LS crm,v hd,dns,abnt Cht wh,smky

3962-76 Sh gy,gn,sme rd,sft,arg

3976-86 LS crm,v hd,dns

3986-96 SH gy,gn,frm,sity

3996-4000 LS crm,v hd,dns,abnt Cht orng,crm,tan

4000-40 LS crm,v hd,dns,abnt Cht orng,crm,tan

LS aa dns,abnt Cht aa

4040-50 LS crm,frm,v oolitic,gd moldic por,ns

4050-64 LS crm,v hd,dns,sl foss, sme Cht aa

4064-70 SH gy,gn,sme blk,frm,wxy sme carb

4074-4122 LS tan,crm,v hd,dns,abnt Cht blk,tan

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4122-35 aa/ trnin intbd SH gn,blk,frm, fiss,carb

4135-50 LS crm,hd,oolitic,f moldic por,ns

4150-64 SH gn,sme blk,frm,carb

4264-76 LS crm,v hd,dns,sme p oocastic por,ns

4176-76 LS crm,hd,oolitic,p moldic por,ns

STARK

4176-94 SH gn,blk,frm,carb

4194-4218LS tan,v hd,v dns,bnt Cht wh

4218-22 SH gn,blk,carb

4222-40 LS crm,v hd,dns,abnt Cht wh,smky

BKC

LS crm,frm,micxln,p por,ns

4240-50 SH gn,blk,carb

4250-60 LS crm,v hd,dns

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4260-70 SH gn,blk,frm,carb

MARMATON

4270-80 LS tan, v hd,v dns,sme Cht wh

4280-90 SH aa

4290-4310 LS wh,frm-hd,chlky,sl oolitic,p por

4310-20 Sh gn,blk,fiss,carb

LS tan,v hd,v dns

SH aa

4320-30 LS buff,hd,micxln,p vuggy por,spty heavy blk strn,gd cut,no free oil

4330-70 LS gy brn,hd,slty,arg

LS tan,sme gy brn,dns,crpxln

PAWNEE

4370-76 LS aa sme Shale gn,dk gy

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4376-4326 LS buff,pale gy brn,hd, dns

4426-34 SH blk,frm,carb

FORT SCOTT

4434-50LS buff-tan,hd,dns,crpxln, ns

4450-60 LS tan,lt brn,hd,foss,sme p vuggy por,v spty blk stn,gd cut,faint odor

CHEROKEE

4460-70 SH blk,frm,carb

4470-90 LS crm,v hd,v dns,crpxln

LS crm-tan,hd,dns,crpxln

4490-4500 SH gy,gn,rd,frm,wxy

4500-12 LS tan,gy brn,v hd,dns

4512-32 SS tmsl,fri,f-mg,sbang-s md,wsrtd,p-f intgr por, spty-even stn,gd cut & odor,show free oil

SS aa p por,spty stn,f cut, tr free oil

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4532-40 LS crm,hd,crpxln,abnt wh, sft,chlky,abnt Cht wh,tan

MISSISSIPPIAN

4540-50 DOL buff,sft,micsuc,gd int xln & vuggy por,even stn, v gd cut & odor,gd show free oil

LS wh,frm,v chlky,p por,ns / thin intbd DOL buff,hd, foss,dns,ns

4550-60

4560-65 DOL buff,sft-frm micsuc,gd intxln & vuggy por,even stn,v gd cut & odor,gd show free oil

LS aa

5465-74 LS buff,frm,micxln-micsuc,f intxln & vuggy por,spty stn,gd cut & odor

4574-82 DOL buff frm,micsuc,gd intxln & vuggy por,spty-even stn, gd cut & odor,show free oil

DOL aa p intxln & vuggy por,f cut

4582-92 LS wh,hd,dns

4592-460 0DOL buff,frm,micxln,p-f intxln & vuggy por,ns

4600-14 DOL buff,sft,micsuc,gd intxln & vuggy por,ns

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4614-30 LS ple gy,hd,foss,p por,ns

4630-37 LS wh,frm,chlky,p por,dolomitic,ns

RTD 4637

LTD 4641

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WICHITA, KS

# Mud-Co / Service Mud, Inc.

100 S. Main St., Suite #310, Wichita, Ks. 67202

Report: **5**

## Daily Drilling Mud Report

Date: **12/05/08** Depth: **3124**

|  |  |   |  |                              |                   |
|--|--|---|--|------------------------------|-------------------|
| Operator<br><b>Thoroughbred Associates LLC</b> |  | Contractor<br><b>Beredco Drilling</b>     |  | Rig No.<br><b>10</b>         |                   |
| Address<br><b>Rig</b>                          |  | Address<br><b>Rig</b>                     |  | Spud Date<br><b>12/01/08</b> |                   |
| Report for Mr.<br><b>Bryan Bynog</b>           |  | Report for Mr.<br><b>Charlie Schniepp</b> |  | Section<br><b>3</b>          | Twp<br><b>17S</b> |
| Well Name & No.<br><b>DJG #1-3</b>             |  | County<br><b>Ness</b>                     |  | State<br><b>Kansas</b>       |                   |
| Range<br><b>26W</b>                            |  |   |  |                              |                   |

|  |                   |   |  |   |  |                                     |                                      |                                   |                             |  |
|--|-------------------|---|--|---|--|-------------------------------------|--------------------------------------|-----------------------------------|-----------------------------|--|
| Operation<br>Present Activity<br><b>drilling</b> |                   | Casing<br><b>8 5/8 in. at 257</b>             |  | Mud Volume (BBL)<br>Hole <b>281</b> Pits <b>400</b> |  | Circulation Data                    |                                      |                                   |                             |  |
| Bit Size (in.)<br><b>7 7/8</b>                   | No<br><b>2</b>    | Intermediate<br>in. at                        |  | Total Circulating Vol.<br><b>681</b>                |  | Liner Size<br><b>6</b>              | Stroke<br><b>18</b>                  | Opposite Drill Pipe<br><b>182</b> | Pump Pressure<br><b>850</b> |  |
| Drill pipe sz<br><b>4</b>                        | Type<br><b>FH</b> | Production / Liner<br>in. at                  |  | Volume in Storage<br><b>500 bbls</b>                |  | Est. Hole/DS capacities<br><b>9</b> | Opposite Drill Collars<br><b>364</b> |                                   | Pump Make<br><b>Ideal</b>   |  |
| Drill Collar size<br><b>6 1/4</b>                | <b>523</b>        | Drilling mud type<br><b>Native and Premix</b> |  | BB/ Strk<br><b>0.156</b>                            |  | Strk / Min.<br><b>52</b>            | Bottoms Up (Min.)<br><b>30</b>       |                                   | Pump Model<br><b>C-250</b>  |  |
| BBL/Min.<br><b>8.1</b>                           |                   | GAL/Min.<br><b>341</b>                        |  | System Total (Min.)<br><b>84</b>                    |  | Critical GPM DC/DP<br><b>#####</b>  |                                      |                                   |                             |  |

|                               |  |                                   |  |  |  |
|-------------------------------|--|-----------------------------------|--|--|--|
| Sample from Flowline x or Pit |  | Daily Mud Cost<br><b>2,492.95</b> |  | Cumulative Mud Cost<br><b>4,548.03</b> |  |
| Flowline Temperature          |  | Mud Properties                    |  |  |  |

|                                |          |
|--------------------------------|----------|
| Time Sample Taken              | 12:50 PM |
| Depth (Ft.)                    | 3,124    |
| Weight (lb/gal.)               | 9.3      |
| Mud Gradient (psi/ft.)         | 0.484    |
| Funnel Viscosity (Sec/qt. API) | 28       |
| Plastic Viscosity cp           |          |
| Yield Point (lb/100 sq.ft.)    |          |
| Gel Strength 10 sec/10 min.    |          |
| pH                             | 7.0      |
| Filtrate API (ml/30 min.)      | N/C      |
| Cake Thickness 32nd            |          |
| Alkalinity, Mud (Pm)           |          |
| Alkalinity, Filtrate (Pf/Mf)   |          |
| Chloride Content, ppm          | 68,000   |
| Calcium, ppm                   | Hvy      |
| Sand Content (% by Vol)        | Tr       |
| Solids Content (% by Vol.)     | 3.0      |
| Oil Content (% by Vol.)        | 0.0      |
| Water Content (% by Vol.)      | 97.0     |
| LCM, lbs/bbl.                  | 0        |
| Reynold's #DP                  | #DIV/0!  |
| Reynold's # DC                 | #DIV/0!  |
| ECD lb/gal                     | 9.83     |

|                                      |                               |                        |                         |
|--------------------------------------|-------------------------------|------------------------|-------------------------|
| MUD PROPERTIES SPECIFICATIONS        |                               |                        |                         |
| Mud Wt. (lbs/gal.)<br><b>9.0-9.4</b> | Viscosity<br><b>as needed</b> | Filtrate<br><b>N/C</b> | LCM<br><b>as needed</b> |

Suggest...

Run good stream of water at flowline while drilling, jet often as needed to control mud wt. 9.0-9.4 #/gal.

Add premix as needed to clean hole, flush as needed  
40 bbls fresh water  
15-20 sx Premium Gel  
1/3 sx Lime (Add Lime prior to adding flush)

Pretreat for possible loss circulation at 3200' with the following premix  
80 bbls fresh water  
40-50 Gel  
1 sx Soda Ash  
18 sx c/s Hulls

Have frac tank and premix full and ready to displace the system at 3400' or per Geo's orders

80 bbls fresh water  
1 Soda Ash  
1 Caustic  
1 Lignite  
1/3 sx Pac  
40 Gel  
2 c/s Hulls

\*Pump 40-60 bbls fresh water ahead of frac mud

After displacement:

- Control mud wt. 9.0-9.4 #/gal. with water at flowline
- Maintain 44-48 sec/qt. viscosity with Gel mixed in pit mud
- LCM as needed with c/s hulls
- Tourly 1 sx Caustic, 1 sx Lignite at chemical bbl >> 2 hrs

Circulate hole clean prior to all trips and keep hole full

| DRILLING MUD INVENTORY |           |          |         |      |        |
|------------------------|-----------|----------|---------|------|--------|
| Products:              | Prior Day | Delivery | On Hand | Used | Cost   |
| Premium Gel            | 472       |          | 321     | 151  | 822.95 |
| Lime                   | 4         |          | 4       |      |        |
| Soda Ash               | 24        |          | 21      | 3    | 57.30  |
| Caustic Soda           | 16        |          | 11      | 5    | 252.55 |
| Lignite                | 12        |          | 8       | 4    | 84.40  |
| C/S Hulls              | 133       |          | 92      | 41   | 481.75 |
| Drill Pak              | 5         |          | 3       | 2    | 610.00 |
| Desco                  | 2         |          | 2       |      |        |
| PolyPlus               | 2         |          | 1       | 1    | 184.00 |
| Barite                 |           |          |         |      |        |
| Xcide                  |           |          |         |      |        |
| Sapp                   |           |          |         |      |        |
| Barite                 |           |          |         |      |        |
| MilGuard               |           |          |         |      |        |

|   |   |   |
|---|---|---|
| Mud-Co / Service Mud Representative<br><b>Jason Whiting</b> | Home Address<br><b>Great Bend, Kansas</b> | Telephone Number<br><b>620-792-4544</b> |
| Cell: <b>620-282-0556</b>                                   | Warehouse Location<br><b>Hays, Kansas</b> | Telephone Number<br><b>785-621-4323</b> |

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# Mud-Co / Service Mud, Inc.

100 S. Main St., Suite #310, Wichita, Ks. 67202

Report: **6**

## Daily Drilling Mud Report

Date: **12/06/08** Depth: **3641**

|  |  |   |  |                              |                   |
|--|--|---|--|------------------------------|-------------------|
| Operator<br><b>Thoroughbred Associates LLC</b> |  | Contractor<br><b>Beredco Drilling</b>     |  | Rig No.<br><b>10</b>         |                   |
| Address<br><b>Rig</b>                          |  | Address<br><b>Rig</b>                     |  | Spud Date<br><b>12/01/08</b> |                   |
| Report for Mr.<br><b>Bryan Bynog</b>           |  | Report for Mr.<br><b>Charlie Schniepp</b> |  | Section<br><b>3</b>          | Twp<br><b>17S</b> |
| Well Name & No.<br><b>DJG #1-3</b>             |  | County<br><b>Ness</b>                     |  | State<br><b>Kansas</b>       |                   |
| Range<br><b>26W</b>                            |  |   |  |                              |                   |

|   |  |                                   |  |   |  |  |  |
|---|--|-----------------------------------|--|---|--|--|--|
| Operation<br><b>drilling</b>              |  | Casing<br><b>8 5/8 in. at 257</b> |  | Mud Volume (BBL)<br>Hole <b>328</b> Pits <b>400</b> |  | Circulation Data                         |  |
| Liner Size <b>6</b> Stroke <b>18</b>      |  | Opposite Drill Pipe <b>210</b>    |  | Pump Pressure <b>900</b>                            |  |  |  |
| Bit Size (in.) <b>7 7/8</b> No <b>2</b>   |  | Intermediate in. at               |  | Total Circulating Vol. <b>728</b>                   |  | Opposite Drill Collars <b>420</b>        |  |
| Drill pipe sz <b>4</b> Type <b>FH</b>     |  | Production / Liner in. at         |  | Volume in Storage <b>0</b>                          |  | Pump Make <b>G-D</b>                     |  |
| Drill Collar size <b>6 1/4</b> <b>523</b> |  | Drilling mud type <b>chemical</b> |  | BBL/ Strk <b>0.156</b> Strk / Min. <b>60</b>        |  | Bottoms Up (Min.) <b>30</b>              |  |
|   |  |                                   |  | BBL/Min. <b>9.4</b> GAL/Min. <b>393</b>             |  | System Total (Min) <b>78</b>             |  |
|   |  |                                   |  |   |  | Critical GPM DC/DP <b>250</b> <b>362</b> |  |

|   |  |                                |  |                                     |  |
|---|--|--------------------------------|--|-------------------------------------|--|
| Sample from Flowline <input checked="" type="checkbox"/> or Pit |  | Daily Mud Cost <b>1,742.84</b> |  | Cumulative Mud Cost <b>6,290.87</b> |  |
| Flowline Temperature  |  | Mud Properties                 |  |                                     |  |

|                                |          |
|--------------------------------|----------|
| Time Sample Taken              | 12:15 PM |
| Depth (Ft.)                    | 3,641    |
| Weight (lb/gal.)               | 8.7      |
| Mud Gradient (psi/ft.)         | 0.452    |
| Funnel Viscosity (Sec/qt. API) | 50       |
| Plastic Viscosity cp           | 12       |
| Yield Point (lb/100 sq.ft.)    | 14       |
| Gel Strength 10 sec/10 min.    | 9/38     |
| pH                             | 11.0     |
| Filtrate API (ml/30 min.)      | 7.2      |
| Cake Thickness 32nd            | 1        |
| Alkalinity, Mud (Pm)           | -        |
| Alkalinity, Filtrate (Pf/Mf)   | 1.56/-   |
| Chloride Content, ppm          | 2,800    |
| Calcium, ppm                   | 20       |
| Sand Content (% by Vol)        | Tr       |
| Solids Content (% by Vol.)     | 2.7      |
| Oil Content (% by Vol.)        | 0.0      |
| Water Content (% by Vol.)      | 97.3     |
| LCM, lbs/bbl.                  | 2        |
| Reynold's #DP                  | 2,260    |
| Reynold's # DC                 | 3,858    |
| ECD lb/gal                     | 9.31     |

|                               |              |               |                  |
|-------------------------------|--------------|---------------|------------------|
| MUD PROPERTIES SPECIFICATIONS |              |               |                  |
| Mud Wt. (lbs/gal.)            | Viscosity    | Filtrate      | LCM              |
| <b>9.0-9.4</b>                | <b>46-50</b> | <b>8-10.0</b> | <b>as needed</b> |

Suggest...

Run small stream of water at flowline while drilling to control mud wt. 9.0-9.4 #/gal.

Gel as needed for vis, mix with pit mud as volume allows

Use the following premix as needed for vis or for volume  
 80 bbls fresh water  
 1 Soda Ash  
 1 Caustic \*Use premix as needed for vis or volume, add to system over 1 1/2 hrs  
 1 Lignite  
 1/3 sx Pac  
 Gel as needed  
 \*Use 50 bbls fresh water/ 50 bbls pit mud if mud wt. is below 9.2 #/gal.

LCM as needed with c/s hulls

Tourly while drilling: 1 sx Caustic  
 1/2 sx Lignite  
 \*Add tourly at chemical bbl, add to system over 2 hours if no premix is added on your tour

Suggest short trip prior to DST #1, trip slowly and don't shake pipe, break circulation on all TIH w/ bit

Circulate hole clean prior to all trips and keep hole full

| DRILLING MUD INVENTORY |           |          |         |      |        |
|------------------------|-----------|----------|---------|------|--------|
| Products:              | Prior Day | Delivery | On Hand | Used | Cost   |
| Premium Gel            | 321       |          | 185     | 136  | 741.20 |
| Lime                   | 4         |          | 4       |      |        |
| Soda Ash               | 21        |          | 17      | 4    | 76.40  |
| Caustic Soda           | 11        |          | 7       | 4    | 202.04 |
| Lignite                | 8         |          | 6       | 2    | 42.20  |
| C/S Hulls              | 92        |          | 60      | 32   | 376.00 |
| Drill Pak              | 3         |          | 2       | 1    | 305.00 |
| Desco                  | 2         |          | 2       |      |        |
| PolyPlus               | 1         |          | 1       |      |        |
| Barite                 |           |          |         |      |        |
| Xcide                  |           |          |         |      |        |
| Sapp                   |           |          |         |      |        |
| Barite                 |           |          |         |      |        |
| MilGuard               |           |          |         |      |        |

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WICHITA, KS

|   |   |   |
|---|---|---|
| Mud-Co / Service Mud Representative<br><b>Jason Whiting</b> | Home Address<br><b>Great Bend, Kansas</b> | Telephone Number<br><b>620-792-4544</b> |
| Cell: <b>620-282-0556</b>                                   | Warehouse Location<br><b>Hays, Kansas</b> | Telephone Number<br><b>785-621-4323</b> |

# Mud-Co / Service Mud. Inc.

100 S. Main St., Suite #310, Wichita, Ks. 67202

Report: **7**

## Daily Drilling Mud Report

Date: **12/07/08** Depth: **4020**

|  |  |   |  |                              |                   |
|--|--|---|--|------------------------------|-------------------|
| Operator<br><b>Thoroughbred Associates LLC</b> |  | Contractor<br><b>Beredco Drilling</b>     |  | Rig No.<br><b>10</b>         |                   |
| Address<br><b>Rig</b>                          |  | Address<br><b>Rig</b>                     |  | Spud Date<br><b>12/01/08</b> |                   |
| Report for Mr.<br><b>Bryan Bynog</b>           |  | Report for Mr.<br><b>Charlie Schniepp</b> |  | Section<br><b>3</b>          | Twp<br><b>17S</b> |
| Well Name & No.<br><b>DJG #1,3</b>             |  | County<br><b>Ness</b>                     |  | State<br><b>Kansas</b>       |                   |
| Range<br><b>26W</b>                            |  |   |  |                              |                   |

|                                   |                   |                                      |  |   |   |                                      |                                      |
|-----------------------------------|-------------------|--------------------------------------|--|---|---|--------------------------------------|--------------------------------------|
| Operation<br><b>drilling</b>      |                   | Casing<br><b>8 5/8 in. at 257</b>    |  | Mud Volume (BBL)<br>Hole <b>362</b> Pits <b>400</b> |   | Circulation Data                     |                                      |
| Present Activity                  |                   | Intermediate                         |  | Liner Size<br><b>6</b>                              | Stroke<br><b>18</b>                       | Opposite Drill Pipe<br><b>182</b>    | Pump Pressure<br><b>900</b>          |
| Bit Size (in.)<br><b>7 7/8</b>    | No<br><b>2</b>    | in. at                               |  | Total Circulating Vol.<br><b>762</b>                | Est. Hole/DS capacities<br><b>9 2.573</b> | Opposite Drill Collars<br><b>364</b> | Pump Make<br><b>G-D</b>              |
| Drill pipe sz<br><b>4</b>         | Type<br><b>FH</b> | Production / Liner<br>in. at         |  | Volume in Storage<br><b>0</b>                       | BB/ Strk<br><b>0.156</b>                  | Strk / Min.<br><b>52</b>             | Bottoms Up (Min.)<br><b>38</b>       |
| Drill Collar size<br><b>6 1/4</b> | <b>523</b>        | Drilling mud type<br><b>chemical</b> |  | BBL/Min.<br><b>8.1</b>                              | GAL/Min.<br><b>341</b>                    | System Total (Min.)<br><b>94</b>     | Critical GPM DC/DP<br><b>292 424</b> |

|                                       |                                   |  |
|---------------------------------------|-----------------------------------|--|
| Sample from Flowline <u>  </u> or Pit | Daily Mud Cost<br><b>1,581.30</b> | Cumulative Mud Cost<br><b>7,872.17</b> |
| Flowline Temperature                  | Mud Properties                    |  |

|                                |                |
|--------------------------------|----------------|
| Time Sample Taken              | <b>9:50 AM</b> |
| Depth (Ft.)                    | <b>4,020</b>   |
| Weight (lb/gal.)               | <b>8.85</b>    |
| Mud Gradient (psi/ft.)         | <b>0.460</b>   |
| Funnel Viscosity (Sec/qt. API) | <b>58</b>      |
| Plastic Viscosity cp           | <b>15</b>      |
| Yield Point (lb/100 sq.ft.)    | <b>18</b>      |
| Gel Strength 10 sec/10 min.    | <b>14/49</b>   |
| pH                             | <b>11.5</b>    |
| Filtrate API (ml/30 min.)      | <b>7.2</b>     |
| Cake Thickness 32nd            | <b>1</b>       |
| Alkalinity, Mud (Pm)           | <b>-</b>       |
| Alkalinity, Filtrate (Pf/Mf)   | <b>1.32/-</b>  |
| Chloride Content, ppm          | <b>3,900</b>   |
| Calcium, ppm                   | <b>20</b>      |
| Sand Content (% by Vol)        | <b>Tr</b>      |
| Solids Content (% by Vol.)     | <b>4.1</b>     |
| Oil Content (% by Vol.)        | <b>0.0</b>     |
| Water Content (% by Vol.)      | <b>95.9</b>    |
| LCM, lbs/bbl.                  | <b>1</b>       |
| Reynold's #DP                  | <b>1,456</b>   |
| Reynold's # DC                 | <b>2,512</b>   |
| ECD lb/gal                     | <b>9.34</b>    |

| MUD PROPERTIES SPECIFICATIONS |              |               |                  |
|-------------------------------|--------------|---------------|------------------|
| Mud Wt. (lbs/gal.)            | Viscosity    | Filtrate      | LCM              |
| <b>9.0-9.4</b>                | <b>45-50</b> | <b>8-10.0</b> | <b>as needed</b> |

Suggest...

Run small stream of water at flowline while drilling to control mud wt. 9.0-9.4 #/gal.

Gel as needed for vis, mix with pit mud

When mud wt. reaches 9.2 #/gal, mix and add the following premix to system over 1 1/2 hours

- 100 bbl fresh water
- 1 Soda Ash
- 1 Caustic
- 1 Lignite
- 1/2 sx Pac
- Gel as needed

LCM as needed with c/s hulls

Suggest short trip prior to DST #1, trip slowly and don't shake pipe, break circulation on all TIH w/ bit

Circulate hole clean prior to all trips and keep hole full

Have 45+ vis for DST w/ Gel mixed in pit mud

Divert all DST recovery to reserve pit

| DRILLING MUD INVENTORY |           |          |         |      |        |
|------------------------|-----------|----------|---------|------|--------|
| Products:              | Prior Day | Delivery | On Hand | Used | Cost   |
| Premium Gel            | 185       | 350      | 393     | 142  | 773.90 |
| Lime                   | 4         |          | 4       |      |        |
| Soda Ash               | 17        | 5        | 19      | 3    | 57.30  |
| Caustic Soda           | 7         | 5        | 7       | 5    | 252.55 |
| Lignite                | 6         | 5        | 8       | 3    | 63.30  |
| C/S Hulls              | 60        |          | 49      | 11   | 129.25 |
| Drill Pak              | 2         |          | 1       | 1    | 305.00 |
| Desco                  | 2         |          | 2       |      |        |
| PolyPlus               | 1         |          | 1       |      |        |
| Barite                 |           |          |         |      |        |
| Xcide                  |           |          |         |      |        |
| Sapp                   |           |          |         |      |        |
| Barite                 |           |          |         |      |        |
| MilGuard               |           |          |         |      |        |

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|   |   |   |
|---|---|---|
| Mud-Co / Service Mud Representative<br><b>Jason Whiting</b> | Home Address<br><b>Great Bend, Kansas</b> | Telephone Number<br><b>620-792-4544</b> |
| Cell: <b>620-282-0556</b>                                   | Warehouse Location<br><b>Hays, Kansas</b> | Telephone Number<br><b>785-621-4323</b> |

# Mud-Co / Service Mud. Inc.

100 S. Main St., Suite #310, Wichita, Ks. 67202

Report: **8**

## Daily Drilling Mud Report

Date: **12/08/08** Depth: **4339**

|  |   |  |
|--|---|--|
| Operator<br><b>Thoroughbred Associates LLC</b> | Contractor<br><b>Beredco Drilling</b>     | Rig No.<br><b>10</b>                             |
| Address<br><b>Rig</b>                          | Address<br><b>Rig</b>                     | Spud Date<br><b>12/01/08</b>                     |
| Report for Mr.<br><b>Bryan Bynog</b>           | Report for Mr.<br><b>Charlie Schniepp</b> | Section <b>3</b> Twp <b>17S</b> Range <b>26W</b> |
| Well Name & No.<br><b>DJG #1-3</b>             | County<br><b>Ness</b>                     | State<br><b>Kansas</b>                           |

| Operation                           | Casing                         | Mud Volume (BBL)                     | Circulation Data                        |   |  |                            |
|-------------------------------------|--------------------------------|--------------------------------------|---|---|--|----------------------------|
| Present Activity<br><b>drilling</b> | <b>8 5/8</b> in. at <b>257</b> | Hole <b>391</b> Pits <b>400</b>      | Liner Size <b>6</b> Stroke <b>18</b>    | Opposite Drill Pipe <b>182</b>              | Pump Pressure <b>900</b>               |                            |
| Bit Size (in.)<br><b>7 7/8</b>      | No<br><b>2</b>                 | Intermediate<br>in. at               | Total Circulating Vol.<br><b>791</b>    | Est. Hole/DS capacities<br><b>9   2.573</b> | Opposite Drill Collars<br><b>364</b>   | Pump Make<br><b>Ideal</b>  |
| Drill pipe sz<br><b>4</b>           | Type<br><b>FH</b>              | Production / Liner<br>in. at         | Volume in Storage<br><b>100 bbls</b>    | BBV Strk <b>0.156</b> Strk / Min. <b>52</b> | Bottoms Up (Min.)<br><b>41</b>         | Pump Model<br><b>C-250</b> |
| Drill Collar size<br><b>6 1/4</b>   | <b>523</b>                     | Drilling mud type<br><b>chemical</b> | BBL/Min. <b>8.1</b> GAL/Min. <b>341</b> | System Total (Min.)<br><b>97</b>            | Critical GPM DC/DP<br><b>275   411</b> |                            |

|   |                                 |  |
|---|---------------------------------|--|
| Sample from Flowline <input type="checkbox"/> or Pit <input type="checkbox"/> | Daily Mud Cost<br><b>289.71</b> | Cumulative Mud Cost<br><b>8,161.88</b> |
| Flowline Temperature  | Mud Properties                  |  |

|                                |                |
|--------------------------------|----------------|
| Time Sample Taken              | <b>1:45 PM</b> |
| Depth (Ft.)                    | <b>4,339</b>   |
| Weight (lb/gal.)               | <b>9.1</b>     |
| Mud Gradient (psi/ft.)         | <b>0.473</b>   |
| Funnel Viscosity (Sec/qt. API) | <b>55</b>      |
| Plastic Viscosity cp           | <b>13</b>      |
| Yield Point (lb/100 sq.ft.)    | <b>18</b>      |
| Gel Strength 10 sec/10 min.    | <b>12/52</b>   |
| pH                             | <b>10.5</b>    |
| Filtrate API (ml/30 min.)      | <b>8.0</b>     |
| Cake Thickness 32nd            | <b>1</b>       |
| Alkalinity, Mud (Pm)           | <b>-</b>       |
| Alkalinity, Filtrate (Pf/Mf)   | <b>.88/-</b>   |
| Chloride Content, ppm          | <b>3,600</b>   |
| Calcium, ppm                   | <b>20</b>      |
| Sand Content (% by Vol)        | <b>Tr</b>      |
| Solids Content (% by Vol.)     | <b>5.5</b>     |
| Oil Content (% by Vol.)        | <b>0.0</b>     |
| Water Content (% by Vol.)      | <b>94.5</b>    |
| LCM, lbs/bbl.                  | <b>1</b>       |
| Reynold's #DP                  | <b>1,511</b>   |
| Reynold's # DC                 | <b>2,755</b>   |
| ECD lb/gal                     | <b>9.58</b>    |

| MUD PROPERTIES SPECIFICATIONS |              |               |                  |
|-------------------------------|--------------|---------------|------------------|
| Mud Wt. (lbs/gal.)            | Viscosity    | Filtrate      | LCM              |
| <b>9.0-9.4</b>                | <b>48-52</b> | <b>8-10.0</b> | <b>as needed</b> |

Suggest...

Run small stream of water at flowline while drilling to control mud wt. 9.0-9.4 #/gal.

Gel as needed for vis, mix with pit mud

Maintain 48-52 sec/qt. viscosity with the following premix  
50 bbls fresh water/ 50 bbls pit mud

- 1 Soda Ash
- 1 Caustic
- 1 Lignite
- 1/3 sx Pac

Gel as needed

**\*Use 100 bbls fresh water only if mud wt. reaches 9.3 #/gal.**

LCM as needed with c/s hulls

Tourly while drilling: 1 sx Caustic  
1/2 sx Lignite

\*Add tourly at chemical bbl, add to system over 2 hours if no premix is added on your tour

Suggest short trip prior to DST #1, trip slowly and don't shake pipe, break circulation on all TIH w/ bit

Circulate hole clean prior to all trips and keep hole full

Have 48+ vis for DST w/ Gel mixed in pit mud

Divert all DST recovery to reserve pit

| DRILLING MUD INVENTORY |           |          |         |      |        |
|------------------------|-----------|----------|---------|------|--------|
| Products:              | Prior Day | Delivery | On Hand | Used | Cost   |
| Premium Gel            | 393       |          | 367     | 26   | 141.70 |
| Lime                   | 4         |          | 4       |      |        |
| Soda Ash               | 19        |          | 15      | 4    | 76.40  |
| Caustic Soda           | 7         |          | 6       | 1    | 50.51  |
| Lignite                | 8         |          | 7       | 1    | 21.10  |
| C/S Hulls              | 49        |          | 49      |      |        |
| Drill Pak              | 1         |          | 1       |      |        |
| Desco                  | 2         |          | 2       |      |        |
| PolyPlus               | 1         |          | 1       |      |        |
| Barite                 |           |          |         |      |        |
| Xcide                  |           |          |         |      |        |
| Sapp                   |           |          |         |      |        |
| Barite                 |           |          |         |      |        |
| MilGuard               |           |          |         |      |        |

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|---|---|---|
| Mud-Co / Service Mud Representative<br><b>Jason Whiting</b> | Home Address<br><b>Great Bend, Kansas</b> | Telephone Number<br><b>620-792-4544</b> |
| Cell: <b>620-282-0556</b>                                   | Warehouse Location<br><b>Hays, Kansas</b> | Telephone Number<br><b>785-621-4323</b> |

# Mud-Co / Service Mud. Inc.

100 S. Main St., Suite #310, Wichita, Ks. 67202

Report: **9**

## Daily Drilling Mud Report

Date: **12/09/08** Depth: **4521**

|  |  |   |  |  |  |
|--|--|---|--|--|--|
| Operator<br><b>Thoroughbred Associates LLC</b> |  | Contractor<br><b>Beredco Drilling</b>     |  | Rig No.<br><b>10</b>                             |  |
| Address<br><b>Rig</b>                          |  | Address<br><b>Rig</b>                     |  | Spud Date<br><b>12/01/08</b>                     |  |
| Report for Mr.<br><b>Bryan Bynog</b>           |  | Report for Mr.<br><b>Charlie Schniepp</b> |  | Section <b>3</b> Twp <b>17S</b> Range <b>26W</b> |  |
| Well Name & No.<br><b>DJG #1-3</b>             |  | County<br><b>Ness</b>                     |  | State<br><b>Kansas</b>                           |  |

| Operation         |                   | Casing                  |            | Mud Volume (BBL)       |            | Circulation Data        |             |                        |               |
|-------------------|-------------------|-------------------------|------------|------------------------|------------|-------------------------|-------------|------------------------|---------------|
| Present Activity  |                   |                         |            | Hole                   | Pits       | Liner Size              | Stroke      | Opposite Drill Pipe    | Pump Pressure |
| <b>drilling</b>   |                   | <b>8 5/8 in. at 257</b> |            | <b>384</b>             | <b>400</b> | <b>6</b>                | <b>18</b>   | <b>210</b>             | <b>900</b>    |
| Bit Size (in.)    | No.               | Intermediate            |            | Total Circulating Vol. |            | Est. Hole/DS capacities |             | Opposite Drill Collars | Pump Make     |
| <b>7 7/8</b>      | <b>2</b>          | in. at                  |            | <b>784</b>             |            | <b>8.5   2.573</b>      |             | <b>420</b>             | <b>G-D</b>    |
| Drill pipe sz     | Type              | Production / Liner      |            | Volume in Storage      |            | BBW Strk                | Strk / Min. | Bottoms Up (Min.)      | Pump Model    |
| <b>4</b>          | <b>FH</b>         | in. at                  |            | <b>100 bbls</b>        |            | <b>0.156</b>            | <b>60</b>   | <b>35</b>              | <b>FXN</b>    |
| Drill Collar size | Drilling mud type |                         | BBL/Min.   |                        | GAL/Min.   | System Total (Min.)     |             | Critical GPM DC/DP     |               |
| <b>6 1/4</b>      | <b>523</b>        |                         | <b>9.4</b> |                        | <b>393</b> | <b>84</b>               |             | <b>280   402</b>       |               |

|                                      |                 |                     |
|--------------------------------------|-----------------|---------------------|
| Sample from Flowline <u>x</u> or Pit | Daily Mud Cost  | Cumulative Mud Cost |
| Flowline Temperature                 | <b>1,054.28</b> | <b>9,216.16</b>     |

| Mud Properties                 |          |
|--------------------------------|----------|
| Time Sample Taken              | 12:10 PM |
| Depth (Ft.)                    | 4,521    |
| Weight (lb/gal.)               | 9.1      |
| Mud Gradient (psi/ft.)         | 0.473    |
| Funnel Viscosity (Sec/qt. API) | 63       |
| Plastic Viscosity cp           | 15       |
| Yield Point (lb/100 sq.ft.)    | 17       |
| Gel Strength 10 sec/10 min.    | 12/57    |
| pH                             | 10.5     |
| Filtrate API (ml/30 min.)      | 8.8      |
| Cake Thickness 32nd            | 1        |
| Alkalinity, Mud (Pm)           | -        |
| Alkalinity, Filtrate (Pf/Mf)   | 1.12/-   |
| Chloride Content, ppm          | 4,400    |
| Calcium, ppm                   | 20       |
| Sand Content (% by Vol)        | Tr       |
| Solids Content (% by Vol.)     | 5.5      |
| Oil Content (% by Vol.)        | 0.0      |
| Water Content (% by Vol.)      | 94.5     |
| LCM, lbs/bbl.                  | Tr       |
| Reynold's #DP                  | 1,940    |
| Reynold's # DC                 | 3,274    |
| ECD lb/gal                     | 9.66     |

| MUD PROPERTIES SPECIFICATIONS |              |               |                  |
|-------------------------------|--------------|---------------|------------------|
| Mud Wt. (lbs/gal.)            | Viscosity    | Filtrate      | LCM              |
| <b>9.0-9.4</b>                | <b>48-52</b> | <b>8-10.0</b> | <b>as needed</b> |

Suggest...

Run small stream of water at flowline while drilling to control mud wt. 9.0-9.4

Gel as needed for viscosity, mix with pit mud

Maintain 48-52 sec/qt. viscosity with the following premix

- 50 bbls fresh water/ 50 bbls pit mud
- 1 Soda Ash
- 1 Caustic
- 1 Lignite
- 1/3 sx Pac

Gel as needed  
\*Use 100 bbls fresh water only if mud wt. reaches 9.3 #/gal.

LCM as needed with c/s hulls

Tourly while drilling: 1 sx Caustic  
1/2 sx Lignite

\*Add tourly at chemical bbl, add to system over 2 hours if no premix is added on your tour

Suggest short trip prior to DST #1, trip slowly and don't shake pipe, break circulation on all TIH w/ bit

Circulate hole clean prior to all trips and keep hole full

Have 48+ vis for DST w/ Gel mixed in pit mud

Divert all DST recovery to reserve pit

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WICHITA, KS

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| DRILLING MUD INVENTORY |           |          |         |      |        |
|------------------------|-----------|----------|---------|------|--------|
| Products:              | Prior Day | Delivery | On Hand | Used | Cost   |
| Premium Gel            | 367       |          | 293     | 74   | 403.30 |
| Lime                   | 4         |          | 4       |      |        |
| Soda Ash               | 15        |          | 9       | 6    | 114.60 |
| Caustic Soda           | 6         |          | 3       | 3    | 151.53 |
| Lignite                | 7         |          | 6       | 1    | 21.10  |
| C/S Hulls              | 49        |          | 44      | 5    | 58.75  |
| Drill Pak              | 1         |          |         | 1    | 305.00 |
| Desco                  | 2         |          | 2       |      |        |
| PolyPlus               | 1         |          | 1       |      |        |
| Barite                 |           |          |         |      |        |
| Xcide                  |           |          |         |      |        |
| Sapp                   |           |          |         |      |        |
| Barite                 |           |          |         |      |        |
| MilGuard               |           |          |         |      |        |

|   |   |   |
|---|---|---|
| Mud-Co / Service Mud Representative<br><b>Jason Whiting</b> | Home Address<br><b>Great Bend, Kansas</b> | Telephone Number<br><b>620-792-4544</b> |
| Cell: <b>620-282-0556</b>                                   | Warehouse Location<br><b>Hays, Kansas</b> | Telephone Number<br><b>785-621-4323</b> |

# Mud-Co / Service Mud. Inc.

100 S. Main St., Suite #310, Wichita, Ks. 67202

Report: **10**

## Daily Drilling Mud Report

Date: **12/10/08** Depth: **4523**

|  |  |   |  |                                       |  |
|--|--|---|--|---------------------------------------|--|
| Operator<br><b>Thoroughbred Associates LLC</b> |  | Contractor<br><b>Beredco Drilling</b>     |  | Rig No.<br><b>10</b>                  |  |
| Address<br><b>Rig</b>                          |  | Address<br><b>Rig</b>                     |  | Spud Date<br><b>12/01/08</b>          |  |
| Report for Mr.<br><b>Bryan Bynog</b>           |  | Report for Mr.<br><b>Charlie Schniepp</b> |  | Section Twp Range<br><b>3 17S 26W</b> |  |
| Well Name & No.<br><b>DJG #1-3</b>             |  | County<br><b>Ness</b>                     |  | State<br><b>Kansas</b>                |  |

|  |  |                                      |  |   |  |  |  |                                      |  |                             |  |
|--|--|--------------------------------------|--|---|--|--|--|--------------------------------------|--|-----------------------------|--|
| Operation<br>Present Activity<br><b>CTCH</b> |  | Casing<br><b>8 5/8 in. at 257</b>    |  | Mud Volume (BBL)<br>Hole Pits<br><b>384 400</b> |  | Circulation Data<br>Liner Size Stroke<br><b>6 18</b> |  | Opposite Drill Pipe<br><b>210</b>    |  | Pump Pressure<br><b>900</b> |  |
| Bit Size (in.) No<br><b>7 7/8 2</b>          |  | Intermediate<br>in. at               |  | Total Circulating Vol.<br><b>784</b>            |  | Est. Hole/DS capacities<br><b>8.5 2.573</b>          |  | Opposite Drill Collars<br><b>420</b> |  | Pump Make<br><b>G-D</b>     |  |
| Drill pipe sz Type<br><b>4 FH</b>            |  | Production / Liner<br>in. at         |  | Volume in Storage<br><b>0</b>                   |  | BB/ Strk Strk / Min.<br><b>0.156 60</b>              |  | Bottoms Up (Min.)<br><b>35</b>       |  | Pump Model<br><b>FXN</b>    |  |
| Drill Collar size<br><b>6 1/4 523</b>        |  | Drilling mud type<br><b>chemical</b> |  | BBL/Min. GAL/Min.<br><b>9.4 393</b>             |  | System Total (Min)<br><b>84</b>                      |  | Critical GPM DC/DP<br><b>270 373</b> |  |                             |  |

|                                      |  |                                |  |  |  |
|--------------------------------------|--|--------------------------------|--|--|--|
| Sample from Flowline <u>x</u> or Pit |  | Daily Mud Cost<br><b>19.10</b> |  | Cumulative Mud Cost<br><b>9,235.26</b> |  |
| Flowline Temperature                 |  | Mud Properties                 |  |  |  |

|                                |          |
|--------------------------------|----------|
| Time Sample Taken              | 12:30 PM |
| Depth (Ft.)                    | 4,523    |
| Weight (lb/gal.)               | 9.2      |
| Mud Gradient (psi/ft.)         | 0.478    |
| Funnel Viscosity (Sec/qt. API) | 55       |
| Plastic Viscosity cp           | 16       |
| Yield Point (lb/100 sq.ft.)    | 15       |
| Gel Strength 10 sec/10 min.    | 9/46     |
| pH                             | 10.5     |
| Filtrate API (ml/30 min.)      | 7.2      |
| Cake Thickness 32nd            | 1        |
| Alkalinity, Mud (Pm)           | -        |
| Alkalinity, Filtrate (Pf/Mf)   | 1.16/-   |
| Chloride Content, ppm          | 4,200    |
| Calcium, ppm                   | 20       |
| Sand Content (% by Vol)        | Tr       |
| Solids Content (% by Vol.)     | 6.2      |
| Oil Content (% by Vol.)        | 0.0      |
| Water Content (% by Vol.)      | 93.8     |
| LCM, lbs/bbl.                  | Tr       |
| Reynold's #DP                  | 2,155    |
| Reynold's # DC                 | 3,386    |
| ECD lb/gal                     | 9.77     |

| MUD PROPERTIES SPECIFICATIONS |              |               |                  |
|-------------------------------|--------------|---------------|------------------|
| Mud Wt. (lbs/gal.)            | Viscosity    | Filtrate      | LCM              |
| <b>9.0-9.4</b>                | <b>48-52</b> | <b>8-10.0</b> | <b>as needed</b> |

Suggest...

Run small stream of water at flowline while drilling to control mud wt. 9.0-9.4 #/gal.

Gel as needed for viscosity, mix with pit mud

Maintain 48-52 sec/qt. viscosity with the following premix  
50 bbls fresh water/ 50 bbls pit mud  
1 Soda Ash  
1 Caustic  
1 Lignite  
1/3 sx Pac  
Gel as needed

**\*Use 100 bbls fresh water only if mud wt. reaches 9.3 #/gal.**

LCM as needed with c/s hulls

Tourly while drilling: 1 sx Caustic  
1/2 sx Lignite

\*Add tourly at chemical bbl, add to system over 2 hours if no premix is added on your tour

Trip slowly and don't shake pipe, break circulation on all TIH w/ bit

Circulate hole clean prior to all trips and keep hole full

Have 48+ vis for DST w/ Gel mixed in pit mud

Divert all DST recovery to reserve pit

| DRILLING MUD INVENTORY |           |          |         |      |       |
|------------------------|-----------|----------|---------|------|-------|
| Products:              | Prior Day | Delivery | On Hand | Used | Cost  |
| Premium Gel            | 293       |          | 293     |      |       |
| Lime                   | 4         |          | 4       |      |       |
| Soda Ash               | 9         |          | 8       | 1    | 19.10 |
| Caustic Soda           | 3         |          | 3       |      |       |
| Lignite                | 6         |          | 6       |      |       |
| C/S Hulls              | 44        |          | 44      |      |       |
| Drill Pak              |           |          |         |      |       |
| Desco                  | 2         |          | 2       |      |       |
| PolyPlus               | 1         |          | 1       |      |       |
| Barite                 |           |          |         |      |       |
| Xcide                  |           |          |         |      |       |
| Sapp                   |           |          |         |      |       |
| Barite                 |           |          |         |      |       |
| MilGuard               |           |          |         |      |       |

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|---|---|---|
| Mud-Co / Service Mud Representative<br><b>Jason Whiting</b> | Home Address<br><b>Great Bend, Kansas</b> | Telephone Number<br><b>620-792-4544</b> |
| Cell: <b>620-282-0556</b>                                   | Warehouse Location<br><b>Hays, Kansas</b> | Telephone Number<br><b>785-621-4323</b> |



# Mud-Co / Service Mud. Inc.

100 S. Main St., Suite #310, Wichita, Ks. 67202

Report: **11**

## Daily Drilling Mud Report

Date: **12/11/08** Depth: **4551**

|  |  |   |  |                              |                   |
|--|--|---|--|------------------------------|-------------------|
| Operator<br><b>Thoroughbred Associates LLC</b> |  | Contractor<br><b>Beredco Drilling</b>     |  | Rig No.<br><b>10</b>         |                   |
| Address<br><b>Rig</b>                          |  | Address<br><b>Rig</b>                     |  | Spud Date<br><b>12/01/08</b> |                   |
| Report for Mr.<br><b>Bryan Bynog</b>           |  | Report for Mr.<br><b>Charlie Schniepp</b> |  | Section<br><b>3</b>          | Twp<br><b>17S</b> |
| Well Name & No.<br><b>DJG #1-3</b>             |  | County<br><b>Ness</b>                     |  | State<br><b>Kansas</b>       |                   |
| Range<br><b>26W</b>                            |  |   |  |                              |                   |

|  |  |   |  |                                      |  |   |                     |
|--|--|---|--|--------------------------------------|--|---|---------------------|
| Operation<br><b>CTCH</b>               |  | Casing<br><b>8 5/8 in. at 257</b>       |  | Mud Volume (BBL)<br><b>364</b>       |  | Circulation Data                            |                     |
| Present Activity                       |  | Hole                                    |  | Pits                                 |  | Liner Size<br><b>6</b>                      | Stroke<br><b>18</b> |
| Opposite Drill Pipe<br><b>175</b>      |  | Pump Pressure<br><b>800</b>             |  | Total Circulating Vol.<br><b>764</b> |  | Est. Hole/DS capacities<br><b>8   2.573</b> |                     |
| Opposite Drill Collars<br><b>350</b>   |  | Pump Make<br><b>Ideal</b>               |  | Volume in Storage<br><b>100 bbls</b> |  | Bottoms Up (Min.)<br><b>39</b>              |                     |
| Pump Model<br><b>C-250</b>             |  | Drill Collar size<br><b>6 1/4   523</b> |  | Drilling mud type<br><b>chemical</b> |  | System Total (Min)<br><b>98</b>             |                     |
| Critical GPM DC/DP<br><b>329   423</b> |  | BBL/Min.<br><b>7.8</b>                  |  | GAL/Min.<br><b>328</b>               |  |   |                     |

|                                       |  |                               |  |  |  |
|---------------------------------------|--|-------------------------------|--|--|--|
| Sample from Flowline <u>  </u> or Pit |  | Daily Mud Cost<br><b>0.00</b> |  | Cumulative Mud Cost<br><b>9,235.26</b> |  |
| Flowline Temperature                  |  | Mud Properties                |  | MUD PROPERTIES SPECIFICATIONS          |  |

|                                |          |
|--------------------------------|----------|
| Time Sample Taken              | 10:30 AM |
| Depth (Ft.)                    | 4,551    |
| Weight (lb/gal.)               | 9.0      |
| Mud Gradient (psi/ft.)         | 0.468    |
| Funnel Viscosity (Sec/qt. API) | 76       |
| Plastic Viscosity cp           | 24       |
| Yield Point (lb/100 sq.ft.)    | 16       |
| Gel Strength 10 sec/10 min.    | 17/63    |
| pH                             | 10.5     |
| Filtrate API (ml/30 min.)      | 8.0      |
| Cake Thickness 32nd            | 1        |
| Alkalinity, Mud (Pm)           | -        |
| Alkalinity, Filtrate (Pf/Mf)   | 1.25/-   |
| Chloride Content, ppm          | 5,300    |
| Calcium, ppm                   | 20       |
| Sand Content (% by Vol)        | Tr       |
| Solids Content (% by Vol.)     | 4.7      |
| Oil Content (% by Vol.)        | 0.0      |
| Water Content (% by Vol.)      | 95.3     |
| LCM, lbs/bbl.                  | Tr       |
| Reynold's #DP                  | 1,428    |
| Reynold's # DC                 | 1,987    |
| ECD lb/gal                     | 9.44     |

|                    |              |               |                  |
|--------------------|--------------|---------------|------------------|
| Mud Wt. (lbs/gal.) | Viscosity    | Filtrate      | LCM              |
| <b>9.0-9.4</b>     | <b>48-52</b> | <b>8-10.0</b> | <b>as needed</b> |

Suggest...

Run small stream of water at flowline while drilling to control mud wt. 9.0-9.4 #/gal.

Gel as needed for viscosity, mix with pit mud

Maintain 48-52 sec/qt. viscosity with the following premix

- 50 bbls fresh water/ 50 bbls pit mud
- 1 Soda Ash
- 1 Caustic
- 1 Lignite
- 1/3 sx Pac
- Gel as needed

\*Use 100 bbls fresh water only if mud wt. reaches 9.3 #/gal.

LCM as needed with c/s hulls

Tourly while drilling: 1 sx Caustic  
1 sx Lignite

\*Add tourly at chemical bbl, add to system over 2 hours if no premix is added on your tour

Trip slowly and don't shake pipe, break circulation on all TIH w/ bit

Circulate hole clean prior to all trips and keep hole full

Have 48+ vis for DST and/or Logs w/ Gel mixed in pit mud

Divert all DST recovery to reserve pit

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| DRILLING MUD INVENTORY |           |          |         |      |      |
|------------------------|-----------|----------|---------|------|------|
| Products:              | Prior Day | Delivery | On Hand | Used | Cost |
| Premium Gel            | 293       |          | 293     |      |      |
| Lime                   | 4         |          | 4       |      |      |
| Soda Ash               | 8         |          | 8       |      |      |
| Caustic Soda           | 3         |          | 3       |      |      |
| Lignite                | 6         |          | 6       |      |      |
| C/S Hulls              | 44        |          | 44      |      |      |
| Drill Pak              |           |          |         |      |      |
| Desco                  | 2         |          | 2       |      |      |
| PolyPlus               | 1         |          | 1       |      |      |
| Barite                 |           |          |         |      |      |
| Xcide                  |           |          |         |      |      |
| Sapp                   |           |          |         |      |      |
| Barite                 |           |          |         |      |      |
| MilGuard               |           |          |         |      |      |

|   |   |   |
|---|---|---|
| Mud-Co / Service Mud Representative<br><b>Jason Whiting</b> | Home Address<br><b>Great Bend, Kansas</b> | Telephone Number<br><b>620-792-4544</b> |
| Cell: <b>620-282-0556</b>                                   | Warehouse Location<br><b>Hays, Kansas</b> | Telephone Number<br><b>785-621-4323</b> |