

**CONFIDENTIAL**

*3/19/10*

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

**ORIGINAL**

Form ACO-1  
October 2008  
Form Must Be Typed

**WELL COMPLETION FORM**

**WELL HISTORY - DESCRIPTION OF WELL & LEASE**

OPERATOR: License # 5822

Name: VAL ENERGY, INC

Address 1: 200 W. DOUGLAS

Address 2: SUITE 520

City: WICHITA State: KS Zip: 67202 + \_\_\_\_\_

Contact Person: K. TODD ALLAM

Phone: (316) 263-6688

CONTRACTOR: License # 5822

Name: VAL ENERGY, INC

Wellsite Geologist: STEVE VAN BUSKIRK

**CONFIDENTIAL**

Purchaser: MACLASKEY

MAR 01 2009

Designate Type of Completion:

New Well  Re-Entry  Workover **KCC**

Oil  SWD  SIOW

Gas  ENHR  SIGW

CM (Coal Bed Methane)  Temp. Abd.

Dry  Other \_\_\_\_\_

(Core, WSW, Expl., Cathodic, etc.)

If Workover/Re-entry: Old Well Info as follows:

Operator: \_\_\_\_\_

Well Name: \_\_\_\_\_

Original Comp. Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_

\_\_\_\_\_ Deepening \_\_\_\_\_ Re-perf. \_\_\_\_\_ Conv. to Enhr. \_\_\_\_\_ Conv. to SWD

\_\_\_\_\_ Plug Back: \_\_\_\_\_ Plug Back Total Depth

\_\_\_\_\_ Commingled \_\_\_\_\_ Docket No.: \_\_\_\_\_

\_\_\_\_\_ Dual Completion \_\_\_\_\_ Docket No.: \_\_\_\_\_

\_\_\_\_\_ Other (SWD or Enhr.?) \_\_\_\_\_ Docket No.: \_\_\_\_\_

12/8/2008 12/16/2008 1/2/2009

Spud Date or \_\_\_\_\_ Date Reached TD \_\_\_\_\_ Completion Date or \_\_\_\_\_  
Recompletion Date \_\_\_\_\_ Recompletion Date

API No. 15 - 15-007-23412-0000

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

S/2 SW SW Sec. 32 Twp. 34 S. R. 11  East  West

330 Feet from  North /  South Line of Section

660 Feet from  East /  West Line of Section

Footages Calculated from Nearest Outside Section Corner:

NE  NW  SE  SW

County: BARBER

Lease Name: GOLDMAN/MELCHER Well #: 1-32

Field Name: UNKNOWN

Producing Formation: MISSISSIPPIAN

Elevation: Ground: 1342 Kelly Bushing: 1353

Total Depth: 4830 Plug Back Total Depth: 4788

Amount of Surface Pipe Set and Cemented at: 221 Feet

Multiple Stage Cementing Collar Used?  Yes  No

If yes, show depth set: \_\_\_\_\_ Feet

If Alternate II completion, cement circulated from: \_\_\_\_\_

feet depth to: \_\_\_\_\_ w/ \_\_\_\_\_ sx cmt.

Drilling Fluid Management Plan AT INS 5-11-09  
(Data must be collected from the Reserve Pit)

Chloride content: 21000 ppm Fluid volume: 900 bbls

Dewatering method used: HAULED

Location of fluid disposal if hauled offsite:

Operator Name: VAL ENERGY, INC

Lease Name: TALBOTT SWD License No.: 5822

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

County: BARBER Docket No.: D-30033

**INSTRUCTIONS:** An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side two of this form will be held confidential for a period of 12 months if requested in writing and submitted with the form (see rule 82-3-107 for confidentiality in excess of 12 months). One copy of all wireline logs and geologist well report shall be attached with this form. ALL CEMENTING TICKETS MUST BE ATTACHED. Submit CP-4 form with all plugged wells. Submit CP-111 form with all temporarily abandoned wells.

All requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge

Signature: K Todd Allam

Title: PRESIDENT Date: \_\_\_\_\_

Subscribed and sworn to before me this 18 day of MAR

09

Notary Public: Brandi Wyer

Date Commission Expires: 2/24/2010

**KCC Office Use ONLY**

Letter of Confidentiality Received

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

Wireline Log Received

Geologist Report Received

UIC Distribution

**RECEIVED**

**MAR 19 2009**

**NOTARY PUBLIC - State of Kansas**

**BRANDI WYER**

My Appt. Expires 2/24/2010

**KCC WICHITA**

Operator Name: VAL ENERGY, INC Lease Name: GOLDMAN/MELCHER Well #: 1-32  
 Sec. 32 Twp. 34 S. R. 11  East  West County: BARBER

**INSTRUCTIONS:** Show important tops and base of formations penetrated. Detail all cores. Report all final copies of drill stems tests giving interval tested, time tool open and closed, flowing and shut-in pressures, whether shut-in pressure reached static level, hydrostatic pressures, bottom hole temperature, fluid recovery, and flow rates if gas to surface test, along with final chart(s). Attach extra sheet if more space is needed. Attach copy of all Electric Wireline Logs surveyed. Attach final geological well site report.

Drill Stem Tests Taken  Yes  No  
 (Attach Additional Sheets)

Samples Sent to Geological Survey  Yes  No

Cores Taken  Yes  No  
 Electric Log Run  Yes  No  
 (Submit Copy)

List All E. Logs Run:  
 DUAL INDUCTION  
 DUAL COMPENSATED POROSITY  
 MICRORESISTIVITY

**CONFIDENTIAL**

MAR 01 2009

**KCC**

Log Formation (Top), Depth and Datum  Sample

Name	Top	Datum
STARK SHALE	4429	-3076
HUSHPUCKNEY SHALE	4463	-3110
BASE KANSAS CITY	4522	-3169
PAWNEE	4606	-3253
CHEROKEE	4636	-3283
MISSISSIPPIAN CONGLOMERATE	4694	-3341
MISSISSIPPIAN	4725	-3372

CASING RECORD <input checked="" type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
SURFACE	12 1/4	8 5/8	23	221	60/40 POZ	150	2% GEL, 3% CC
PRODUCTION	7 7/8	5 1/2	15 1/2	4826	AA2	125	

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

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used)	Depth
2 SPF	4745-4760	1100 GAL 15% NE/FE ACID, 7634 BBL SLICK WATER, 141000LBS SAND	4745-4760

**RECEIVED**  
**MAR 19 2009**  
**KCC WICHITA**

TUBING RECORD: Size: \_\_\_\_\_ Set At: \_\_\_\_\_ Packer At: \_\_\_\_\_ Liner Run:  Yes  No

Date of First, Resumed Production, SWD or Enhr. 3/04/09 Producing Method:  Flowing  Pumping  Gas Lift  Other (Explain)

Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity
	<u>75</u>	<u>120</u>	<u>300</u>		

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



PAGE 1 of 2	CUST NO 1970-VAL002	INVOICE DATE 12/22/2008
INVOICE NUMBER <b>1970002943</b>		

**Pratt**

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

KS 67202

**J O B S I T E**

**LEASE NAME** Goldman-Melcher  
**WELL NO.** 1-32  
**COUNTY** Barber  
**STATE** KS  
**JOB DESCRIPTION** Cement-New Well Casing/Pipe  
**JOB CONTACT**

RECEIVED

DEC 23 2008

9308

JOB #	EQUIPMENT #	PURCHASE ORDER NO.	TERMS	DUE DATE	
1970-02947	301		Net 30 DAYS	01/21/2009	
		QTY	U of M	UNIT PRICE	INVOICE AMOUNT
<b>For Service Dates: 12/18/2008 to 12/18/2008</b>					
<b>1970-02947</b>					
<b>1970-19080 Cement-New Well Casing 12/18/08</b>					
Pump Charge-Hourly		1.00	Hour	2520.000	2,520.00
Depth Charge; 4001'-5000'		1.00	EA	250.000	250.00
Cementing Head w/Manifold		1.00	EA	215.000	215.00
Plug Container Utilization Charge		1.00	EA	215.000	215.00
Cement Float Equipment		1.00	EA	250.000	250.00
Flapper Type Insert Float Valves		1.00	EA	105.000	105.00
Cement Float Equipment		1.00	EA	105.000	105.00
Guide Shoe-Regular		1.00	EA	110.000	110.00
Cement Float Equipment		5.00	EA	110.000	550.00
Top Rubber Cement Plug		5.00	EA	110.000	550.00
Cement Float Equipment		150.00	DH	1.400	210.00
Turbolizer		150.00	DH	1.400	210.00
Mileage		70.00	DH	7.000	490.00
Blending and Mixing Service Charge		70.00	DH	7.000	490.00
Mileage		245.00	DH	1.600	392.00
Heavy Equipment Mileage		245.00	DH	1.600	392.00
Mileage		35.00	Hour	4.250	148.75
Proppant and Bulk Delivery Charges		35.00	Hour	4.250	148.75
Pickup		35.00	Hour	4.250	148.75
Unit Mileage Charge(Pickups, Vans, or Cars)		35.00	Hour	4.250	148.75
Additives		30.00	EA	4.000	120.00 T
De-foamer		30.00	EA	4.000	120.00 T
Additives		95.00	EA	7.500	712.50 T
FLA-322		95.00	EA	7.500	712.50 T
Additives		118.00	EA	5.150	607.70 T
Gas-Blok		118.00	EA	5.150	607.70 T
Additives		625.00	EA	0.670	418.75 T
Gilonite		625.00	EA	0.670	418.75 T
Additives		601.00	EA	0.500	300.50 T
Salt		601.00	EA	0.500	300.50 T
Additives		1,000.00	EA	1.530	1,530.00 T
Super Flush II		1,000.00	EA	1.530	1,530.00 T

RECEIVED  
 CONFIDENTIAL  
 MAR 19 2009  
 MAR 01 2009  
 KCC WICHITA  
 KCC



Pratt

PAGE 2 of 2	CUST NO 1970-VAL002	INVOICE DATE 12/22/2008
INVOICE NUMBER <b>1970002943</b>		

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

**J** LEASE NAME Goldman-Melcher  
**O** WELL NO. 1-32  
**B** COUNTY Barber  
**S** STATE KS  
**I** JOB DESCRIPTION Cement-New Well Casing/Pipe  
**T** JOB CONTACT  
**E**

JOB #	EQUIPMENT #	PURCHASE ORDER NO.	TERMS	DUE DATE		
1970-02947	301		Net 30 DAYS	01/21/2009		
			QTY	U of M	UNIT PRICE	INVOICE AMOUNT
Cement			25.00	EA	12.000	300.00 T
60/40 POZ						
Cement			125.00	EA	17.000	2,125.00 T
AA2 Cement						
Supervisor			1.00	Hour	175.000	175.00
Service Supervisor Charge						

RECEIVED  
MAR 19 2009  
KCC WICHITA

CONFIDENTIAL  
MAR 01 2009  
KCC

PLEASE REMIT TO:  
BASIC ENERGY SERVICES, LP  
PO BOX 841903  
DALLAS, TX 75284-1903

SEND OTHER CORRESPONDENCE TO:  
BASIC ENERGY SERVICES, LP  
PO BOX 10460  
MIDLAND, TX 79702

BID DISCOUNT	-2,626.65
SUBTOTAL	8,793.55
TAX	296.60
INVOICE TOTAL	9,090.15

Hwy 281/Hwy 8 - 2E + North Star - 1 North - 1W 240

# BASIC

energy services, L.P.

Subject to Correction

**FIELD ORDER**

19080

Date	10-18-08	Customer ID		Lease	Baldwin Melrose	Well #	1-32	Legal	32-34-11
				County	Bush	State	KS	Station	B-4
C H A R G E				Depth	4730	Formation		Shoe Joint	17.30
				Casing	5 7/8	Casing Depth	412	TD	
				Customer Representative	KCC Staff		Treater	Steve Colorado	

AFE Number: \_\_\_\_\_ PO Number: \_\_\_\_\_ Materials Received by: **X**

Station Code	Product Code	QUANTITY	MATERIALS, EQUIPMENT, and SERVICES USED	UNIT PRICE	AMOUNT
P	CP105	12534	AAJ	/	2125.00
P	CP103	2500	60/40 Piz	/	300.00
P	CC105	3014	De-Ringer	/	120.00
P	CC111	60756	Salt	/	310.50
P	CC115	11845	Gas Pilot	/	607.70
P	CC129	9526	FLA-332	/	712.50
P	CC201	62514	Bitum...	/	418.75
P	CC155	10060	Sup. Flow IT	/	1530.00
P	CS103	1ea	Top Rubber Plug 5 1/2"	/	105.00
P	CS251	1ea	Lead Shoe 2 1/2"	/	250.00
P	CS151	1ea	Flapper Top: 1 1/2" x 5 1/2"	/	215.00
P	CS1651	5ea	Toolbit 2 1/2" x 5 1/2"	/	550.00
P	E101	70ea	Heavy Equipment mil...		490.00
P	E113	245ea	Bulk Delivery		392.00
P	E100	35ea	Pickup mil...		142.75
P	CE240	150ea	Contract Service Charge		210.00
P	SEW1	1ea	Service Supervisor		175.00
P	CE205	1ea	North Charge 41001-5000		2520.00
P	CE501	1ea	P...		250.00

RECEIVED  
MAR 19 2009  
CONFIDENTIAL  
MAR 01 2009  
KCC WICHITA  
KCC

Customer Val Energy		Lease No.		Date 12-13-09	
Lease Well #		Well #			
Field Order # 19070	Station Pratt	Casing 5 7/8	Depth 4730	County B...	State KS
Type Job C.N.W. 3/1			Formation	Legal Description	

PIPE DATA		PERFORATING DATA		FLUID USED		TREATMENT RESUME		
Casing Size	Tubing Size	Shots/Ft	Acid	Pre Pad	Pad	RATE	PRESS	ISIP
5 7/8	4 1/2	13	1.37	Pre Pad	Pad			5 Min.
Depth	Depth	From	To	From	To	Max		10 Min.
Volume	Volume	From	To	From	To	Min		15 Min.
Max Press	Max Press	From	To	From	To	Avg		Annulus Pressure
Well Connection	Annulus Vol.	From	To	From	To	HHP Used		Total Load
Plug Depth	Packer Depth	From	To	From	To	Gas Volume		

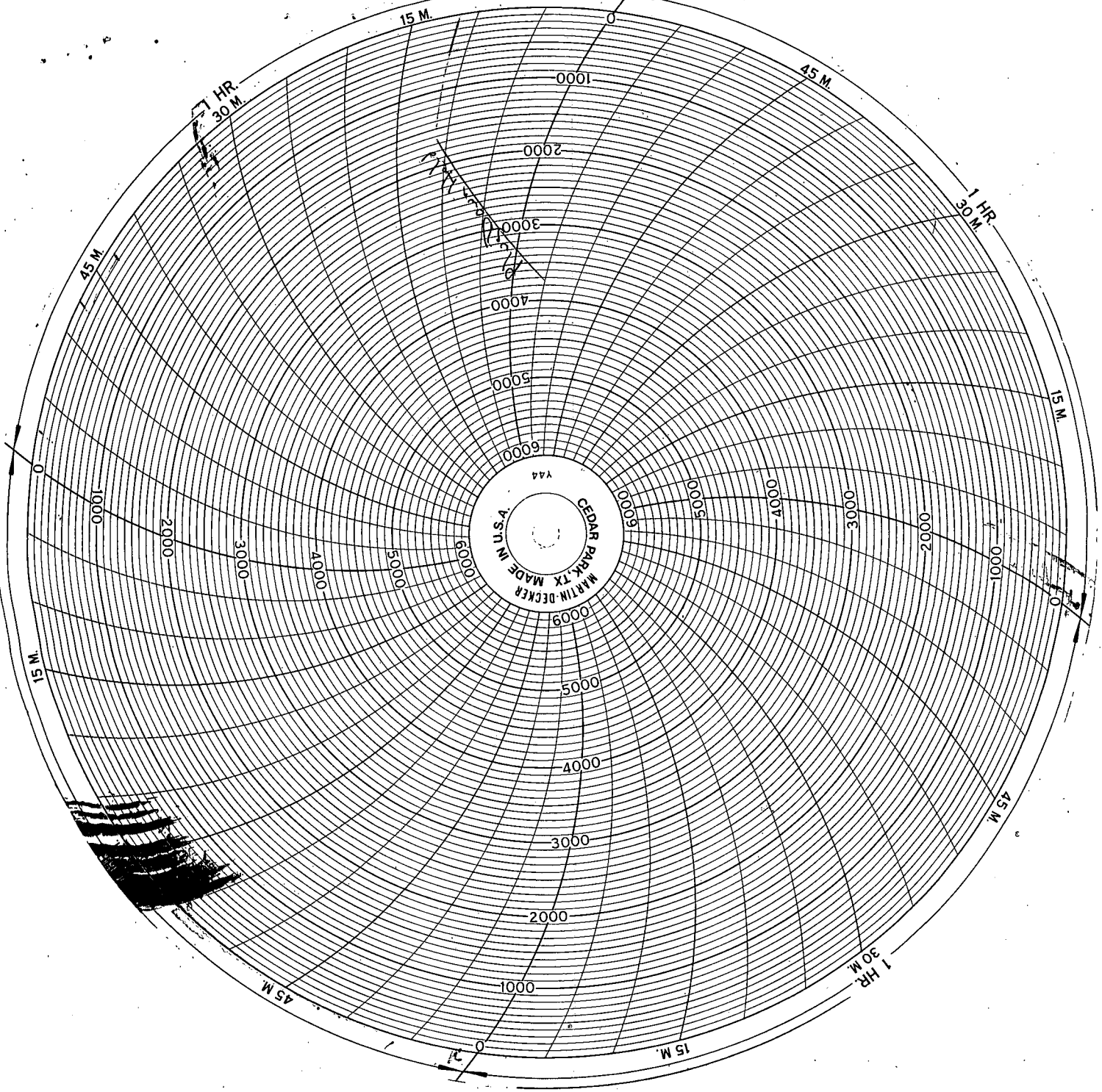
Customer Representative			Station Manager			Treater		
Service Units	Driver Names							

Time	Casing Pressure	Tubing Pressure	Bbls. Pumped	Rate	Service Log
0630					Date: 12-13-09
					Run 12-13-09 5/8" 13' / 13'
					1-25-09 7.7
					Conductivity 1000 - 10000
					Breakdown with
11:15	300		24	5	Super 2000
11:17	300		3	5	MS
11:20	250		303	5	MS - 105-1000 = 15.5#/c
					Shot 20 - 1000 pump
					R. 1000 pl
11:40	0		0	7	Stop
11:50	300		80	6	MS
11:57	800		10	8	Stop
12:00	1000		119	4	PL 1000 - 1000
			4-3		PL 1000 / 1000 / 1000
					MS 1000

RECEIVED  
MAR 19 2009  
KCC WICHITA

CONFIDENTIAL  
MAR 01 2009

KCC



**CONFIDENTIAL**

MAR 07 2009

KCC

RECEIVED

MAR 19 2009

KCC WICHITA



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

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

# INVOICE

Invoice Number: 117500  
 Invoice Date: Dec 9, 2008  
 Page: 1

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

RECEIVED  
 DEC 12 2008

Customer ID	Well Name# or Customer P.O.	Payment Terms	
Val	Goldman-Melcher#1-32	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS1	Medicine Lodge	Dec 9, 2008	1/8/09

Quantity	Item	Description	Unit Price	Amount
90.00	MAT	Class A Common	15.45	1,390.50
60.00	MAT	Pozmix	8.00	480.00
3.00	MAT	Gel	20.80	62.40
5.00	MAT	Cholide	58.20	291.00
158.00	SER	Handling	2.40	379.20
23.00	SER	Mileage	15.80	363.40
1.00	SER	Surface	1,018.00	1,018.00
23.00	SER	Mileage Pump Truck	7.00	161.00
1.00	SER	Head Rental	113.00	113.00
1.00	EQP	Wooden Plug	68.00	68.00

CONFIDENTIAL  
 MAR 01 2009  
 KCC

*Cement Surface Casing*

RECEIVED  
 MAR 19 2009  
 KCC WICHITA

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

\$ 432.65

ONLY IF PAID ON OR BEFORE

Jan 8, 2009

Subtotal	4,326.50
Sales Tax	144.39
Total Invoice Amount	4,470.89
Payment/Credit Applied	
<b>TOTAL</b>	<b>4,470.89</b>

432.65  
 \$ 4038.24



# ALLIED CEMENTING CO., LLC. 34144

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

SERVICE POINT:  
*Medicine Lodge, KS.*

DATE <i>12-9-08</i>	SEC. <i>32</i>	TWP. <i>34S</i>	RANGE <i>11W</i>	CALLED OUT <i>12:00 AM</i>	ON LOCATION <i>1:30 AM</i>	JOB START <i>3:00 AM</i>	JOB FINISH <i>3:30 AM</i>
GOLDMAN-LEASE <i>Melcher</i>		WELL # <i>1-32</i>	LOCATION <i>281+160, S TO RATTLESNAKE</i>		COUNTY <i>Barber</i>	STATE <i>KS</i>	
OLD OR <del>NEW</del> (Circle one)			<i>Traily 2E, 1S, W FNT</i>				

CONTRACTOR *VAI # 5*

TYPE OF JOB *SURFACE*

HOLE SIZE *12 1/4* T.D. *228*

CASING SIZE *4 5/8* DEPTH *221*

TUBING SIZE DEPTH

DRILL PIPE DEPTH

TOOL DEPTH

PRES. MAX *300* MINIMUM *100*

MEAS. LINE SHOE JOINT

CEMENT LEFT IN CSG. *20' By Request*

PERFS.

DISPLACEMENT *12 3/4 Bbl Fresh*

OWNER *VAI Energy*

CEMENT AMOUNT ORDERED *1505x 60, 40, 2+3% cc*

EQUIPMENT

PUMP TRUCK CEMENTER *Thomas Demorrow*

# *414-202* HELPER *Raymond R.*

BULK TRUCK # *356-252* DRIVER *Scott P.*

BULK TRUCK # DRIVER

COMMON	<i>90 A</i>	@	<i>15.45</i>	<i>1390.50</i>
POZMIX	<i>60</i>	@	<i>8.00</i>	<i>480.00</i>
GEL	<i>3</i>	@	<i>20.80</i>	<i>62.40</i>
CHLORIDE	<i>5</i>	@	<i>58.20</i>	<i>291.00</i>

**CONFIDENTIAL**

MAR 01 2009

RECEIVED

MAR 19 2009

KCC WICHITA

HANDLING	<i>158</i>	@	<i>2.40</i>	<i>379.20</i>
MILEAGE	<i>23 x 15 P x .10</i>			<i>363.40</i>
				TOTAL <i>2966.50</i>

**REMARKS:**

*Pipe on Bottom, Break circulation,  
Pump 1505x 60, 40, 2+3% cc, stop pumps  
Release Plug, start Displacement  
See Lift, slow rate, stop pumps & shut  
In, Displace w/ 12 3/4 Bbl Fresh,  
Cement circulated to SURFACE*

*Thank you*

**SERVICE**

DEPTH OF JOB	<i>221</i>			
PUMP TRUCK CHARGE				<i>1018.00</i>
EXTRA FOOTAGE		@		
MILEAGE	<i>23</i>	@	<i>7.00</i>	<i>161.00</i>
MANIFOLD		@		
<i>Head Rental</i>	<i>1</i>	@	<i>113.00</i>	<i>113.00</i>
				TOTAL <i>1292.00</i>

*8 5/8*

CHARGE TO: *VAI Energy*

STREET \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

**PLUG & FLOAT EQUIPMENT**

<i>wooden Plug</i>	<i>1</i>	@	<i>68.00</i>	<i>68.00</i>
		@		
		@		
		@		
		@		
				TOTAL <i>68.00</i>

To Allied Cementing Co., LLC.  
You are hereby requested to rent cementing equipment and furnish cementer and helper(s) to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read and understand the "GENERAL TERMS AND CONDITIONS" listed on the reverse side.

PRINTED NAME *X Randy Smith*

SIGNATURE *X Randy Smith*

SALES TAX (If Any) \_\_\_\_\_

TOTAL CHARGES ~~1292.00~~

DISCOUNT ~~1292.00~~ IF PAID IN 30 DAYS

**ANY APPLICABLE TAX  
WILL BE CHARGED  
UPON INVOICING**