

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 # 34055
Name: H & M Petroleum Corporation
Address 1: 13570 Meadowgrass Drive
Address 2: Suite 101
City: Colorado Springs State: CO Zip: 80921 + _____
Contact Person: David Allen or Myron Woody
Phone: (719) 590-6060
CONTRACTOR: License # 33575
Name: WW Drilling, LLC
Wellsite Geologist: Richard J. Hall
Purchaser: Coffeyville Resources

Designate Type of Completion:
 New Well Re-Entry Workover
 Oil SWD SIOW
 Gas ENHR SIGW
 CM (Coal Bed Methane) Temp. Abd.
 Dry Other _____
(Core, WSW, Expl., Cathodic, etc.)

If Workover/Re-entry: Old Well Info as follows:
Operator: _____
Well Name: _____
Original Comp. Date: _____ Original Total Depth: _____
 Deepening Re-perf. Conv. to Enhr. Conv. to SWD
 Plug Back: _____ Plug Back Total Depth _____
 Commingled Docket No.: _____
 Dual Completion Docket No.: _____
 Other (SWD or Enhr.?) Docket No.: _____
12/03/2009 12/10/2009 12/11/2009
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 065-23601-00-00
Spot Description: _____
E2 _W2 _W2 _NE Sec. 3 Twp. 9 S. R. 25 East West
1,320 Feet from North / South Line of Section
2,100 Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Graham
Lease Name: Oil Creek Well #: 1
Field Name: Unknown
Producing Formation: Lansing Kansas City
Elevation: Ground: 2496' Kelly Bushing: 2501'
Total Depth: 4,066 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at: 6 jts @ 221 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set: 2131 Feet
If Alternate II completion, cement circulated from: 2131'
feet depth to: Surface w/ 410 sx cmt.

Drilling Fluid Management Plan AH II NR 4-13-10
(Data must be collected from the Reserve Pit)
Chloride content: 1000 ppm Fluid volume: 200 bbls
Dewatering method used: Evaporation
Location of fluid disposal if hauled offsite: _____
Operator Name: _____
Lease Name: _____ License No.: _____
Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West
County: _____ Docket No.: _____

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

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

Signature: _____
Title: Office Manager Date: 04/09/2010

Subscribed and sworn to before me this 12 day of April,
20 10.

Notary Public: Jessica A. Lohf
Date Commission Expires: 01/29/2013

JESSICA A. LOHF
NOTARY PUBLIC
STATE OF COLORADO
My Commission Expires 01/29/2013

KCC Office Use ONLY

Letter of Confidentiality Received
 If Denied, Yes No Date: APR 13 2010
 Wireline Log Received
 Geologist Report Received
 UIC Distribution

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APR 13 2010
CONSERVATION DIVISION
WICHITA, KS

Operator Name: H & M Petroleum Corporation Lease Name: Oil Creek Well #: 1
 Sec. 3 Twp. 9 S. R. 25 East West County: Graham

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 <i>(Attach Additional Sheets)</i> Samples Sent to Geological Survey <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Electric Log Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Submit Copy)</i> List All E. Logs Run: DI, Micro, Sonic, Neutron/Density Porosity	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample <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>Anhydrite</td> <td>2187</td> <td>+314</td> </tr> <tr> <td>Topeka</td> <td>3546</td> <td>-1045</td> </tr> <tr> <td>Heebner Shale</td> <td>3759</td> <td>-1258</td> </tr> <tr> <td>Lansing A</td> <td>3794</td> <td>-1293</td> </tr> <tr> <td>Lansing D</td> <td>3837</td> <td>-1336</td> </tr> <tr> <td>Lansing F/Muncie Creek Shale</td> <td>3872/3912</td> <td>-1371/-1411</td> </tr> <tr> <td>KS City J/Base Kansas City</td> <td>3972/4021</td> <td>-1471/-1520</td> </tr> </table>	Name	Top	Datum	Anhydrite	2187	+314	Topeka	3546	-1045	Heebner Shale	3759	-1258	Lansing A	3794	-1293	Lansing D	3837	-1336	Lansing F/Muncie Creek Shale	3872/3912	-1371/-1411	KS City J/Base Kansas City	3972/4021	-1471/-1520
Name	Top	Datum																							
Anhydrite	2187	+314																							
Topeka	3546	-1045																							
Heebner Shale	3759	-1258																							
Lansing A	3794	-1293																							
Lansing D	3837	-1336																							
Lansing F/Muncie Creek Shale	3872/3912	-1371/-1411																							
KS City J/Base Kansas City	3972/4021	-1471/-1520																							

CASING RECORD <input type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
Surface	12 1/2"	8 5/8"	24#	221	Common	165	3% Gel/5% CC
Production	7 7/8"	5 1/2"	15.5#	4065	EA-2	150	

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 <i>(Amount and Kind of Material Used)</i>	Depth
4	3837'-3839'	Shot	3839'
	CIBP		3864'

TUBING RECORD: Size: <u>2 7/8"</u> Set At: <u>3905</u> Packer At: <u>3859'</u>		Liner Run: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Date of First, Resumed Production, SWD or Enhr. <u>03/04/2010</u>		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. <u>83</u>	Gas Mcf <u>0</u>	Water Bbls. <u>10</u> Gas-Oil Ratio <u>31.5</u>

DISPOSITION OF GAS: <input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	METHOD OF COMPLETION: <input type="checkbox"/> Open Hole <input checked="" type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____	RECEIVED KANSAS CORPORATION COMMISSION 3837-3972 APR 13 2010
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REMIT TO
RR 1 BOX 90 D
HOXIE KS 67740

SCHIPPERS OIL FIELD SERVICE L.L.C.

414

DATE 12/3/09 SEC. 3	RANGE/TWP 9/25	CALLED OUT	ON LOCATION H/M	JOB START	JOB FINISH
LEASE Oil Creek			WELL # 1		
			COUNTY 11	STATE 1	

CONTRACTOR W W D	OWNER H/M				
TYPE OF JOB Surface					
HOLE SIZE 12 1/4	T.D. 721	CEMENT			
CASING SIZE 8 7/8	DEPTH 220	AMOUNT ORDERED			
TUBING SIZE	DEPTH				
DRILL PIPE 4 1/2	DEPTH				
TOOL	DEPTH				
PRES. MAX	MINIMUM	COMMON	185	@ 14 ²²	232 ²²
DISPLACEMENT 12.5661	SHOE JOINT	POZMIX		@	
CEMENT LEFT IN CSG.		GEL	3	@ 26 ²²	78 ²²
PERFS		CHLORIDE	5	@ 52 ²²	260 ²²
		ASC		@	
EQUIPMENT				@	
				@	
PUMP TRUCK				@	
# Darcid				@	
BULK TRUCK				@	
# Darcid				@	
BULK TRUCK				@	
#				@	
				@	
		HANDLING	173	@ 1 ²²	337 ²²
		MILEAGE	28	@ 15.5 ²²	435 ²²
		TOTAL			

REMARKS	SERVICE Surface		
Plug Done @ 6:30	DEPT OF JOB	@	
	PUMP TRUCK CHARGE	@	250 ²²
	EXTRA FOOTAGE	@	
	MILEAGE 28	@ 6 ²²	
Cement to Pit	MANIFOLD	@	
	RECEIVED		
	KANSAS CORPORATION COMMISSION		
	TOTAL		

CHARGE TO: H/M	
STREET	STATE
CITY	ZIP

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WICHITA, KS

PLUG & FLOAT EQUIPMENT	
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JOB LOG

SWIFT Services, Inc.

DATE 12-11-09 PAGE NO. 1

CUSTOMER H&M Petroleum WELL NO. #1 LEASE Oil Creek JOB TYPE 2-stage TICKET NO. 16813

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	1700							on loc w/FE
								RTD 4066'
								5 1/2" x 15.5" x 4065' x 23'
								Cent. 5' open 1, 4, 6, 8, 2, 11, 13, 15, 17, 18, 46
								Busks 47, 73
								DV 47 @ 2131'
	1755							Start FE.
	1940							Break Circ.
	2040	3.5	0			150		Start Mud Flush
		3.5	12/0			150		Start KCL Flush
		5.5	20/0			200		Start Cement 15' sks EA-2
			36					End Cement
								Wash P+L
								Drop LD Plug
	2058	6	0			200		Start Disp. w/ir
		6	48			200		mud
		5	68			300		Catch Cement
	2115		96			750/1400		Land Plug
								Relpress/Float Hold
								Drop Opening Plug
		2.5	7					Plug BH 25sks EA-2
	2130					10200		Open D.V.
	2135	3.5	0					Start KCL Flush
		6	20/0					Start Cnt 235sks SMD
			130					End Cnt
								Drop Closing Plug
		6	0			100		Start Displacement
		5	8			150		Catch Cement
			16			150		Circ Cement
	2215					550/1700		Land Plug
								Release Pres. DV Closed

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circ 605
Mud
Held
Nick
Thank you

Thank you
Nick Josh F & Lane



WHITEHALL EXPLORATION

WELLSITE GEOLOGICAL CONSULTING

GEOLOGICAL ANALYSIS & WELL REPORT

H & M Petroleum Corp.

OIL CREEK No. 1

1,320' FNL & 2,100' FEL
Approximately E/2-W/2-W/2-NE
Section 3-Township 9 South-Range 25 West
Graham County, Kansas

December 14, 2009

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GENERAL INFORMATION

Elevation: G.L. 2,496' K.B. 2,501'
All measurements are from K.B.

Field: Wildcat

Drilling Contractor/Rig No.: WW Drilling/Rig 10

Total Depth: RTD: 4,066' LTD: 4,068'

Surface Casing: 8 5/8" @ 220'

Production Casing: 5 1/2" @ 4,058'

Drill Time Kept: 3,500'-4,066' RTD

Samples Examined: 3,550'-4,066' RTD

Geological Supervision: 3,500'-4,066' RTD

Wellsite Geologist: Richard J. Hall
Certified Petroleum Geologist No. 5820

Drill Stem Tests: 1) Lansing "C"- "F" Zone's - Open hole test
(Recovered gassy free oil)

Mud Company/Mud Type/Engineer: Morgan Mud/Chemical/Dave Lines

Electric Logging Company: Log-Tech

Log Suite: -Dual Induction
-Micro Log
-Neutron/Density Porosity
-Sonic

Samples: Not kept, except for over oil show zones

Total Depth Formation: Base/Kansas City

Well Status: Production casing set to test several formations
the Lansing/Kansas City Group

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DAILY DRILLING CHRONOLOGY

<u>2009</u> <u>Date</u>	<u>7:00 A.M.</u> <u>Depth</u>	<u>24 Hour</u> <u>Footage</u>	<u>7:00 A.M. Operation; 24 Hour Activity</u>
12/3/09	0	0	MIRU; spud @ 2:15 P.M., drilling to 221', jet cellar, drop dev. survey, TOO H, run surf. csg., cement csg., WOC 8', drilling, 30" work on pump - pull valves, drilling.
12/4/09	600'	600'	Drilling ahead; jet, drilling, jet, work on draw works, drilling, TOO H for plugged bit @ 1,040', TIH, jet, drilling, jet, drilling, jet, drilling.
12/5/09	2,220'	1,620'	Drilling ahead; jet, drilling, jet/work on pump, drilling, work on pump, drilling, clean suction/displace @ 2,740', drilling, jet, drilling, clean screen/work on pump, drilling.
12/6/09	3,070'	850'	Drilling ahead; drilling,
12/7/09	3,715'	645'	Drilling ahead; jet hole/add pre mix @ 3,858', drilling, CFS @ 3,834', drilling, CFS @ 3,880', short trip 32 stands to Anhydrite, circ. 1', drop dev. survey, TOO H-strap pipe, PU test tool, TIH, run DST #1, TOO H-dump oil/fluid, lay down test tool.
12/8/09	3,880'	165'	Pump oil off pits; TIH w/bit, drilling, CFS @ 3,838', TOO H/on the bank-shut down for blizzard.
12/9/09	3,938'	58'	Rig shut down-weather.
12/10/09	3,938'	0	Rig shut down-weather; start up rig-thaw out/pump water, TIH w/bit, circ.-jet hole-add premix, drilling ahead @ 2:15 P.M., CFS @ 3,964', drilling, CFS @ 3,974', drilling, CFS @ 3,998', drilling, reach 4,066' RTD @ 12:45 A.M.-12/11/09, circ. 60", drop dev. survey, TOO H-pulled tight-short trip 25 stands, circ. 60", TOO H, rig up loggers, run Log-Tech logs.
12/11/09	4,066'	128'	Running Log-Tech logs; TIH w/bit @ 11:30 A.M., circ. 75", TOO H laying down drill pipe/collars, rig up csg crew & run 89 jts 5 1/2" prod. csg. set @ 4,058', circ. 60", cement csg.-plug down @ 10:30 PM, rig down, rig released @ 10:30 AM 12/12/09.

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DEVIATION SURVEYS

<u>Depth</u>	<u>Deviation (Degrees)</u>
221'	1.0
3,880'	1.0
4,066'	0.25

REFERENCE WELLS

Reference Well "A": Chief Drilling Co., et al
Keith No. 1
NE-SW-NE
Section 3-T9S-R25W
Graham County, KS
KB: 2,514'
RTD: 4,050' (No Log Run)
Date Drilled: January, 1971
TD Formation: Base/Kansas City
Status: Dry and Abandoned

Reference Well "B": Empire Drilling Co.
Setchell No. 1
C-SW-SE
Section 34-T8S-R25W
Graham County, KS
KB: 2,508'
RTD: 4,050'
Date Drilled: June, 1962
TD Formation: Base/Kansas City
Status: Dry & Abandoned

Reference Well "C": John Roy Evans.
Keith No. 1
C-SE-NW
Section 3-T9S-R25W
Graham County, Kansas
KB: 2,509'
RTD: 4,030' (No Log Run)
Date Drilled: December, 1980
TD Formation: Base/Kansas City
Status: Dry & Abandoned

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FORMATION TOPS

FORMATION	OIL CREEK No. 1			Keith No. 1	Setchell No. 1	Keith No. 1			
	SAMPLE	ELECTRIC LOG		REFERENCE	REFERENCE	REFERENCE	DIFFERENCE TO		
	TOPS	TOPS	DATUM	WELL "A"	WELL "B"	WELL "C"	WELL "A"	WELL "B"	WELL "C"
PERMIAN									
Anhydrite	2181	2187	+314	+316	+305	+310	-2	+9	+4
PENNSYLVANIAN									
Topeka	3548	3546	-1045	-1044	-1042	-1044	-1	-3	-1
Heebner Shale	3757	3759	-1258	-1256	-1254	-1255	-2	-4	-3
Lansing "A"	3798	3794	-1293	-1298	-1297	-1298	+5	+4	+5
Lansing "D"	3840	3837	-1336	NA	-1338	NA	NA	+2	NA
Lansing "F"	3872	3872	-1371	NA	-1371	NA	NA	Flat	NA
Muncie Creek Shale	3911	3912	-1411	NA	-1421	NA	NA	+1	NA
Kansas City "J"	3966	3972	-1471	NA	-1471	NA	NA	Flat	NA
Base/Kansas City	4016	4021	-1520	-1519	-1518	NA	-1	-2	NA

NA = Not Available

NDE = Not Deep Enough

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ZONES OF INTEREST

<u>Formation</u>	<u>Log Depth</u>	<u>Lithologic & Show Descriptions, Remarks</u>
Lansing "D"	3,838'-3,840'	<p>Limestone, buff, very good oolitic shoal development, fine-very fine crystalline, none-slightly chalky in part, Fusilinid fossil fragments, excellent open/vug inter-oolitic matrix porosity, fair-good inter-crystalline porosity, GOOD SHOW: intermediate yellowish fluorescence, very good mostly even-near saturated brown oil stain, slight show free oil/break, good fast yellowish/white milky cut, grading to limestone, buff-tan, light gray, very fine with some fine crystalline in part, none-moderately oolitic in part, fair-good in part inter-crystalline porosity, tight inter-oolitic matrix with scattered oolcast/vug, INTERMEDIATE SHOW: uneven dark brown oil stain, intermediate show free oil/break, intermediate streaming yellow/white cut grading to medium milky cut and yellow dried residual halo cut.</p> <p>The Lansing "D" Formation was included on DST No. 1 which covered the Lansing "C"- "F" Zone's, and recovered 945 feet of gas in pipe and 1,436 feet of fluid consisting of: 550 feet of clean gassy oil (18% gas, 77% oil, 5% mud), 700 feet of clean gassy oil (28% gas, 67% oil, 5% mud), and 186 feet of gassy muddy oil (16% gas, 47% oil, 37% mud), with flow pressures of 106-298 and 320-570 p.s.i. and shut in pressures of 1,174-1,172 p.s.i.</p> <p>Log-Tech logs show this interval has a very clean gamma ray, fair SP development, 10+% density porosity, maximum 5% neutron porosity, maximum 10% sonic porosity, has one foot of microlog development, a maximum 20 ohms deep resistivity, and the computer processed interpretation log shows a pay flag over this interval.</p>
Lansing "F"	3,875'-3,879'	<p>Limestone, off-white-light gray, buff, abundant oolitic shoal pieces, fine-very fine crystalline, semi-friable-hard, moderately chalky, very good vug porosity, fair-good inter-crystalline and inter-particle porosity, GOOD SHOW: medium uneven fluorescence, mostly even brown oil stain to saturated brown oil stain in oolitic pieces, slight</p>

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bleeding oil and gas bubbles, fair-good light brown show free oil/break, good streaming live cut, medium bright yellow dried cut.

The Lansing "F" Formation was included on DST No. 1 which covered the Lansing "C"- "F" Zone's, and recovered 945 feet of gas in pipe and 1,436 feet of fluid consisting of: 550 feet of clean gassy oil (18% gas, 77% oil, 5% mud), 700 feet of clean gassy oil (28% gas, 67% oil, 5% mud), and 186 feet of gassy muddy oil (16% gas, 47% oil, 37% mud), with flow pressures of 106-298 and 320-570 p.s.i. and shut in pressures of 1,174-1,172 p.s.i.

Log-Tech logs show this formation has a very clean gamma ray, intermediate SP development, 10+% neutron porosity, maximum 20% density porosity, 10+% sonic porosity, 3 feet of microlog development, and has a maximum 17 ohms deep resistivity.

Kansas City "H" 3,929'-3,934'

Limestone, off white-buff, fine crystalline in part- predominately very fine crystalline grainstone development in part, firm-hard, fair-good in part inter-crystalline porosity, scattered good vug porosity, GOOD SHOW: good spotty yellow fluorescence in part, spotty-uneven brown oil stain, good medium brown show disseminated free oil and oil droplets/broken, slow white streaming cut grading to intermediate milky cut, intermediate yellow dried residual halo cut; grading to micritic packstone, tight, no visual porosity.

The Kansas City "H" Zone was not drill stem tested.

Log-Tech logs show this zone has a very clean gamma ray, good SP development, 3 feet of microlog development, maximum 8% neutron porosity, maximum 10% density porosity, 6-10% sonic porosity, and has a maximum 16 ohms deep resistivity.

Kansas City "J" 3,972'-3,974'

Limestone, dark brown, fine-very fine crystalline, hard-dense, micro sucrosic in part, some micritic, trace vug and inter-crystalline porosity, FAIR SHOW: pale blue fluorescence in part, uneven light-medium brown oil stain, weak show free dark brown oil/broken, weak slow live cut, medium

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yellow dried residual halo cut.

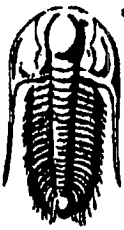
The Kansas City "J" Zone was not drill stem tested.

Log-Tech logs show this zone has a very clean gamma ray, fair-good SP development, 2 feet of microlog development, maximum 10% neutron porosity and density porosity, maximum 12+% sonic porosity, and has a maximum 10 ohms deep resistivity over this thin interval.

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**TRIOBITE
TESTING, INC**

DRILL STEM TEST REPORT

H&M Petroleum Corp.
13570 Meadowgrass Dr.
Suite 101
Colorado Springs, CO 80921
ATTN: Rick Hall

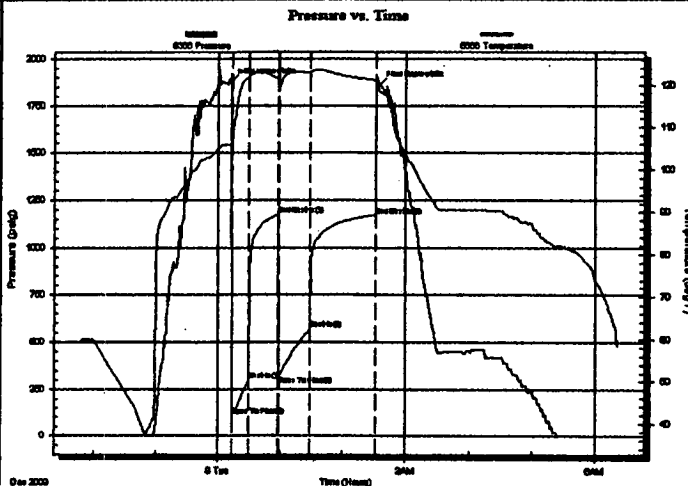
Oil Creek #1
3/9s/25w Graham KS
Job Ticket: 35639 **DST#: 1**
Test Start: 2009.12.07 @ 21:47:00

GENERAL INFORMATION:

Formation: **LKC "C - F"**
 Deviated: **No** Whipstock: **ft (KB)**
 Test Type: **Conventional Bottom Hole**
 Time Tool Opened: **00:13:30**
 Tester: **James Winder**
 Time Test Ended: **06:21:30**
 Unit No: **46**
 Interval: **3813.00 ft (KB) To 3880.00 ft (KB) (TVD)**
 Reference Elevations: **2501.00 ft (KB)**
 Total Depth: **3880.00 ft (KB) (TVD)**
2496.00 ft (CF)
 Hole Diameter: **7.88 inches** Hole Condition: **Fair**
 KB to GR/CF: **5.00 ft**

Serial #: 8366 **Inside**
 Press@RunDepth: **570.15 psig @ 3814.00 ft (KB)**
 Capacity: **8000.00 psig**
 Start Date: **2009.12.07** End Date: **2009.12.08**
 Last Calib.: **2009.12.08**
 Start Time: **21:47:00** End Time: **06:21:30**
 Time On Btm: **2009.12.08 @ 00:11:30**
 Time Off Btm: **2009.12.08 @ 02:34:00**

TEST COMMENT: F: Blow built to BOB in 1 1/4 min.
 1st Bled off for 4 1/2 min., Blow back built to BOB in 25 1/2 min.
 FF: Blow built to BOB in 1 1/4 min.
 FST: Bled off for 3 min., Blow back built to BOB in 17 min.



PRESSURE SUMMARY

Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	1871.41	105.80	Initial Hydro-static
2	105.70	105.13	Open To Flow (1)
18	297.57	121.86	Shut-in(1)
47	1173.69	121.51	End Shut-in(1)
48	319.72	120.42	Open To Flow (2)
77	570.15	123.02	Shut-in(2)
140	1171.88	121.10	End Shut-in(2)
143	1860.40	119.28	Final Hydro-static

Recovery

Length (ft)	Description	Volume (bbl)
188.00	GMO 47%o, 37%m, 16%g	1.47
700.00	CGO 67%o, 28%g, 5%m	9.82
550.00	CGO 77%o, 18%g, 5%m	7.72
0.00	GIP = 945'	0.00
0.00	28 api @ 24 deg F	0.00
0.00	Corrected Gravity = 31.6 api	0.00

Gas Rates

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

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SUMMARY

The Oil Creek Prospect consists of a 640 acres and is located in southwestern Graham County, Kansas an area of very prolific oil production from the multiple pay zone Pennsylvanian aged Lansing/Kansas City Group. A one square mile 3-D seismic survey was shot over the leasehold which defined the Oil Creek No. 1 location.

Interpretation of the 3-D seismic data indicated a prominent low relief, small areal extent, structural closure located in the W/2-NE/4-Section 3-T9S-R25W, and indicated the Oil Creek No. 1 would be approximately 10 feet higher structurally at the Lansing compared to the Reference Well's. Based on the pipe strap and confirmed through logs, in general, the structural position of the primary objective Lansing/Kansas City Group formation's were encountered approximately structurally flat (+2 to -2 feet) in relation to the Reference Well's.

Several dry and abandoned wells surround the Oil Creek No. 1 location within approximately ½ mile and are used for correlation as Reference Well's for this report.

Although not as high structurally as predicted, very good reservoir quality was encountered in the Upper Lansing on a drill stem test of the "C" through "F" Zone's (DST No. 1), which recovered 945 feet of gas in pipe and 1,436 feet of fluid consisting of 1,250 feet of clean gassy oil and 186 feet of gassy muddy oil, with flow pressures of 106-298 and 320-570 p.s.i. and shut in pressures of 1,174-1,172 p.s.i.

The primary objectives in the Oil Creek Prospect included the Lansing "C" and "F" Zone's and the Kansas City "J" and "K" Zone's. Secondary objectives included the Lansing "A", "D", and "E" Zone's and the Kansas City "H" and "I" Zone's.

One (1) open hole drill stem test was run in the Oil Creek No. 1. Based on the positive oil recovery of DST No. 1 (which covered the Lansing "C"- "F" Zone's and recovered 945 feet of gas in pipe, 1,250 feet of clean gassy oil and 186 feet of gassy muddy oil, with near virgin shut in pressures of 1,174-1,172 p.s.i.), no other drill stem tests were run in this well. Other prospective Lansing/Kansas City Zone's will be tested through pipe when the well is completed.

The Oil Creek No. 1 test well is located approximately 3.25 miles east of the Graham/Sheridan County line, and approximately 4 miles south and 13 miles west of Hill City, Kansas.

The Oil Creek No. 1 well was spudded on December 3, 2009, and production casing was set on December 12, 2009. No significant drilling problems were encountered during the drilling of this well. A blizzard (snow, high winds and extreme cold/wind chill) shut the rig down at 3,938 feet RTD from 3:00 PM - 12/8/09 to 2:15 PM - 12/10/09.

The well was under 24-hour geological supervision from 3,500 feet to 4,066 feet RTD. Wet and dry drilling samples were caught by the drilling crews from 3,550 feet to 4,066 feet RTD at 10-foot intervals. All lithologic descriptions were lagged to true depth by the consulting

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wellsite geologist's (Richard J. Hall, 3,500 feet to 3,880 feet when rig shut down for blizzard, and Peter Debenham, 3,880 feet to 4,066 feet RTD).

Hydrocarbon Shows

Several significant oil sample shows were observed and recorded in the samples during the drilling of the Oil Creek No. 1 in the primary and secondary objective Lansing/Kansas City Group:

- | | | |
|------------------------|-----------------|---|
| -Lansing "C" Zone: | Good Show: | intermediate even dull yellow fluorescence, spotty brown oil stain, fair-good show free oil on break, slow streaming cut grading to milky cut, medium pale yellow dried residual halo cut fluorescence (included on DST No. 1) |
| -Lansing "D" Zone: | Good Show: | intermediate yellowish fluorescence, very good mostly even-near saturated brown oil stain, slight show free oil/break, good fast yellowish/white milky cut (included on DST No. 1) |
| -Lansing "F" Zone: | Very Good Show: | medium uneven fluorescence, mostly even brown oil stain to saturated oil stain in oolitic pieces, slight bleeding oil and gas bubbles, fair-good light brown show free oil/break, good streaming live cut, medium bright yellow dried residual halo cut (included on DST No. 1) |
| -Kansas City "H" Zone: | Good Show: | good spotty yellow fluorescence in part, spotty-uneven brown oil stain, good medium brown show disseminated free oil and oil droplets/broken, slow white streaming cut grading to intermediate milky cut, intermediate yellow dried residual halo cut (was not drill stem tested) |
| -Kansas City "T" Zone: | Fair Show: | very dull fluorescence, fair uneven dark brown oil stain, no show free |

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oil, slow streaming live cut, medium yellow dried halo cut fluorescence (was not drill stem tested)

- Kansas City "J" Zone: Intermediate Show: pale blue fluorescence in part, uneven light-medium brown oil stain, weak show free dark brown oil/broken, weak slow live cut, medium yellow dried residual halo cut (was not drill stem tested)
- Kansas City "K" Zone: Fair Show: spotty dull yellow fluorescence, dark brown oil stain, light brown show free oil on break, good streaming to milky cut, (was not drill stem tested)
- Kansas City "L" Zone: Slight Show: spotty dull fluorescence, spotty dark brown oil stain, trace show free oil on break, weak live cut (was not drill stem tested)

There were no observed sample hydrocarbon shows recorded in the Topeka or Toronto Formation's, or the Lansing "A", "E", or "G" Zone's.

Complete lithologic descriptions and hydrocarbon sample shows can be found in the detailed "Zones of Interest" portion of this geologic report. Complete Drill Stem Test fluid recovery results and pressures can be found in this report under "Drill Stem Tests".

Structural Position

The Oil Creek No. 1 runs predominately approximately structurally flat throughout the Lansing/Kansas City Group, in relation to the three Reference Well's except for the Top/Lansing "A" datum.

Compared to Reference Well "A"/Chief Drilling Co. Keith No. 1 (NE-SW-NE-Section 3-T9S-R25W), the Oil Creek No. 1 runs: -2 feet low at the Stone Corral Anhydrite, -2 feet low at the Heebner Shale, +5 feet high at the Top/Lansing "A", and -1 foot low at the Base/Kansas City.

Compared to Reference Well "B"/Empire Drilling Co. Setchell No. 1 (C-SW-SE-Section 34-T8S-R25W), the Oil Creek No. 1 runs: +9 feet high at the Stone Corral Anhydrite, -4 feet low at the Heebner Shale, +4 feet high at the Top/Lansing "A", +2 feet high at the Lansing "D" Zone, Flat at the Lansing "F" Zone, +1 foot high at the Muncie Creek Shale, Flat at the Kansas City "J" Zone, and -2 feet low at the Base/Kansas City.

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Compared to Reference Well "C"/John Roy Evans Keith No. 1 (C-SE-NW-Section 3-T9S-R25W), the Oil Creek No. 1 runs: +4 feet high at the Stone Corral Anhydrite, -3 feet low at the Heebner Shale, +5 feet high at the Top/Lansing "A", and not available at the Base/Kansas City.

A complete structural comparison of the Formation Tops in this well, in relation to the Reference Wells, can be found in the detailed "Formation Tops" table in this geologic report.

Conclusion

The Oil Creek No. 1 wildcat test was based on a 3-D seismic survey which indicated a small low relief structural closure was located in the W/2-NE/4-3-T9S-R25W. Log-Tech logs confirm the Oil Creek No. 1 runs predominately approximately structurally flat in the Lansing/Kansas City Group in relation to the Reference Well's, rather than approximately 10 feet high as interpreted on the 3-D seismic.

Numerous free oil sample shows were observed in the Lansing "C", "D", and "F" Zone's and the Kansas City "H", "J", "K", and "L" Zone's,

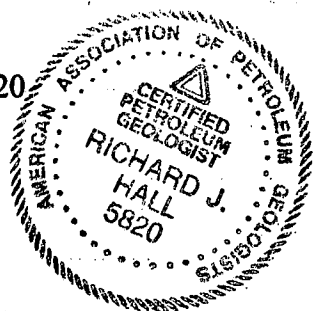
DST No. 1 which tested the Lansing "C" through "F" Zone's, recovered 945 feet of gas in pipe and 1,436 feet of fluid consisting of: 1,250 feet of clean gassy oil and 186 feet of gassy muddy oil, with flow pressures of 106-298 and 320-570 p.s.i. and shut in pressures of 1,174-1,172 p.s.i.

Therefore, based on the excellent gas in pipe and clean gassy oil recovery on Drill Stem Test No. 1 (Lansing "C" - "F" Zone's), with associated very good flow pressures and near virgin bottom hole pressures, and Log-Tech logs evaluation and analysis confirming reservoir development in multiple formation's in the Lansing/Kansas City Group, 5 1/2" production casing was set in the Oil Creek No. 1. Several prospective Lansing/Kansas City Formation's to be tested through production casing include the Lansing "D" and "F" Zone's and the Kansas City "H" and "J" Zone's.

Respectfully Submitted,

Richard J. Hall

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