

CONFIDENTIAL

Handwritten initials and date: 5/10/09

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL

Form ACO-1
September 1999
Form Must Be Typed

5/04/10

WELL COMPLETION FORM

WELL HISTORY - DESCRIPTION OF WELL & LEASE

Operator: License # 8628

Name: CREDO PETROLEUM CORPORATION

Address: 1801 Broadway, Suite 900

City/State/Zip: Denver, CO 80202

Purchaser: N/A

Operator Contact Person: Jack Renfro

Phone: (303) 297-2200

Contractor: Name: American Eagle Drilling LLC

License: 33493

Wellsite Geologist: Jim Musgrove

Designate Type of Completion:

New Well Re-Entry Workover

Oil SWD SIOW Temp. Abd.

Gas ENHR SIGW

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./SWD

Plug Back Plug Back Total Depth

Commingled Docket No. _____

Dual Completion Docket No. _____

Other (SWD or Enhr.?) Docket No. _____

02/20/09 02/26/09 02/26/09

Spud Date or Date Reached TD Completion Date or

Recompletion Date Recompletion Date

API No. 15 - 009-25244-0002

County: Barton

SE NW SE NW Sec. 29 Twp. 19 S. R. 12 East West

1810 feet from S (N circle one) Line of Section

1660 feet from E (W circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:

(circle one) NE SE (NW) SW

Lease Name: Scharz CPC Well #: 1-29

Field Name: FT. ZARAH

Producing Formation: N/A

Elevation: Ground: 1819 Kelly Bushing: 5

Total Depth: 3431 Plug Back Total Depth: 3431

Amount of Surface Pipe Set and Cemented at 260 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 *PAN 7-1009*
(Data must be collected from the Reserve Pit)

Chloride content 11500 ppm Fluid volume 300 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: *Madalena Tolares*

Title: OPERATIONS MANAGER Date: 04/03/2009

Subscribed and sworn to before me this 3 day of April

2009 Notary Public

Notary Public

Date Commission Expires: 8.19.2012

KCC Office Use ONLY

Letter of Confidentiality Received

If Denied. Yes Date: _____

Wireline Log Received

Geologist Report Received

UIC Distribution

KANSAS CORPORATION COMMISSION

MAY 06 2009

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Operator Name: CREDO PETROLEUM CORPORATION Lease Name: Schartz CPC Well #: 1-29
 Sec. 29 Twp. 19 S. R. 12 East West County: Barton

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:

**Borehole Compensated Sonic, Microresistivity,
 Dual Induction, Dual Compensated Porosity**

Log Formation (Top), Depth and Datum Sample

Name	Top	Datum
Topeka	11,124 2009	2681
Lansing		3157
Arbuckle		3423
		1599

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"	24	260	POZMIX	175	2%gel, 3%CaCl

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives
___ Perforate				
___ Protect Casing				
___ Plug Back TD				
___ 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

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TUBING RECORD	Size	Set At	Packer At	Liner Run
				<input type="checkbox"/> Yes <input type="checkbox"/> No

Date of First Resumerd Production, SWD or Enhr.	Producing Method
	<input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)

Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity

Disposition of Gas Vented Sold Used on Lease (If vented, Submit ACO-18.)

METHOD OF COMPLETION Open Hole Perf. Dually Comp. Commingled Other (Specify) _____

Production Interval _____

Customer CREDO PETRO. INC	Lease No.	Date 2-19-09
Lease SCHARTZ CPC	Well # 1-29	
Field Order # 15761	Station	Casing Size 5 1/2
Type Job CAW-8 5/8 C.P.	Formation	Depth 2603
		County BARTON
		State KS
		Legal Description 21-19-12

PIPE DATA		PERFORATING DATA		FLUID USED		TREATMENT RESUME		
Casing Size	Tubing Size	Shots/Ft		Acid	RATE	PRESS	ISIP	
8 1/8		175 SKS		30/40 P02				
Depth 2603	Depth	From	To	Pre Pad	Max		5 Min.	
Volume	Volume	From	To	Pad	Min	42009	10 Min.	
Max Press 500	Max Press	From	To	Frac	Avg		15 Min.	
Well-Connection P.C.	Annulus Vol.	From	To		HHP Used		Annulus Pressure	
Plug Depth	Packer Depth	From	To	Flush	Gas Volume		Total Load	

Customer Representative LEE	Station Manager DAVE SCOTT	Treater STEVE ORLANDO
Service Units 77283 19889 19842 19960 19918		
Driver Names ORLANDO LESLEY PHAYE		

Time	Casing Pressure	Tubing Pressure	Bbls. Pumped	Rate	Service Log
10:00 AM					ON LOCATION - SAFETY MEETING
10:30 AM					RUN 1 1/2 ISG - 6 HRS.
					CENTRALIZERS ON
11:15					CSG. CA BOTTOM / BREAK CIRC. W/ RIG
11:40	300		39	5	MIX 175 SKS. (6) P02 @ 14.72#/gal
					SHUT DOWN - RELEASE PLUG
11:50	150		0	3	START DISPLACEMENT
11:59	150		14	2	Slow Rate
12:00	200		15	1	pump 1 bbl over plug down
					Not Hold.
					Close In valves Shut In 1 well head
					Job Complete.
					Travis, Steve
					Circulation thru Job
					Circulated 5 bbl to pit

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ALLIED CEMENTING CO., LLC.

33294

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

SERVICE POINT:

Great Bend

2-26-09

DATE <u>2-25-09</u>	SEC <u>29</u>	TWP. <u>19s</u>	RANGE <u>12w</u>	CALLED OUT <u>9:00 pm</u>	ON LOCATION <u>10:00 pm</u>	JOB START <u>3:30 AM</u>	JOB FINISH <u>4:30 AM</u>
LEASE <u>Schartz CPC</u>	WELL # <u>1-29</u>		LOCATION <u>Great Bend, hwy. 56, E to 50 Ave, 3/4 N, 4th St.</u>		COUNTY <u>Barton</u>	STATE <u>KS</u>	

CONTRACTOR American Eagle

TYPE OF JOB Rotary plug

HOLE SIZE 7 7/8" T.D. 3400'

CASING SIZE _____ DEPTH _____

TUBING SIZE _____ DEPTH _____

DRILL PIPE 4 1/2" DEPTH 3400'

TOOL _____ DEPTH _____

PRES. MAX 300# MINIMUM _____

MEAS. LINE _____ SHOE JOINT _____

CEMENT LEFT IN CSG. _____

PERFS. _____

DISPLACEMENT Fresh water

OWNER Credo Petroleum

CEMENT AMOUNT ORDERED 180sx 60/40 4% gel 1/4" Flo-seal

COMMON	<u>108</u>	@	<u>13.50</u>	<u>1458.00</u>
POZMIX	<u>72</u>	@	<u>7.55</u>	<u>543.60</u>
GEL	<u>6</u>	@	<u>20.25</u>	<u>121.50</u>
CHLORIDE		@		
ASC		@		
<u>Flo-seal 50#</u>		@	<u>2.45</u>	<u>122.50</u>
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>188</u>	@	<u>2.25</u>	<u>423.00</u>
MILEAGE	<u>7/188/10</u>	=	1.00	<u>300.00</u>
TOTAL				<u>2968.60</u>

EQUIPMENT

PUMP TRUCK # 181 CEMENTER Tyler Wirtz
HELPER Carl Staub

BULK TRUCK # 344/170 DRIVER Bobby Roller

BULK TRUCK # _____ DRIVER _____

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REMARKS:

25sx @ 3400'
25sx @ 635'
90sx @ 320'
10sx @ 40'
30sx RH.

180sx 60/40, 4% gel 1/4" Flo-seal

CHARGE TO: Credo Petroleum

STREET _____

CITY _____ STATE _____ ZIP _____

Thank You.

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 _____

SIGNATURE [Signature]

SERVICE

DEPTH OF JOB 3400'

PUMP TRUCK CHARGE _____ 1159.00

EXTRA FOOTAGE _____ @ _____

MILEAGE 7 @ 700 49.00

MANIFOLD _____ @ _____

[Handwritten scribbles]

TOTAL 1208.00

PLUG & FLOAT EQUIPMENT

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

TOTAL _____

SALES TAX (If Any) _____

TOTAL CHARGES _____

DISCOUNT 20% IF PAID IN 30 DAYS

GENERAL TERMS AND CONDITIONS

DEFINITIONS: In these terms and conditions, "ALLIED" shall mean Allied Cementing Co., LLC, and "CUSTOMER" shall refer to the party identified by that term on the front of this contract. As applicable, "Job" relates to the services described on the front side of this contract, "Merchandise" refers to the material described on the front of this contract and to any other materials, products, or supplies used, sold, or furnished under the requirements of this contract.

—**TERMS:** Unless satisfactory credit has been established, CUSTOMER must tender full cash payment to ALLIED before the job is undertaken or merchandise is delivered. If satisfactory credit has been established, the terms of payment for the job and/or merchandise, including bulk cement, are net cash, payable in 30 days from the completion of the job and/or delivery of the merchandise. For all past due invoices, CUSTOMER agrees to pay interest on amounts invoiced at a rate of 18 percent per annum until paid. Notwithstanding the foregoing, in no event shall this Contract provide for interest exceeding the maximum rate of interest that CUSTOMER may agree to pay under applicable law. If any such interest should be provided for, it shall be and hereby is deemed to be a mistake, and this contract shall be automatically reformed to lower the rate of interest to the maximum legal contract rate, any amounts previously paid as excess interest shall be deducted from the amounts owing from the CUSTOMER or at the option of ALLIED, refunded directly to CUSTOMER. For purposes of this paragraph, ALLIED and CUSTOMER agree that Kansas law shall apply. Any discounts granted with this contract are null and void if the charges are not paid when due.

—**ATTORNEY FEES:** In any legal action or proceeding between the parties to enforce any of the terms of this Service Contract, or in any way pertaining to the terms of this Contract, the prevailing party shall be entitled to recover all expenses, including, but not limited to, a reasonable sum as and for attorney's fees.

—**PRICES AND TAXES:** All merchandise listed in ALLIED'S current price schedule are F.O.B. ALLIED'S local station and are subject to change without notice. All prices are exclusive of any federal, state, local, or special taxes for the sale or use of the merchandise or services listed. The amount of taxes required to be paid by ALLIED shall be added to the quoted prices charged to CUSTOMER.

—**TOWING CHARGES:** ALLIED will make a reasonable attempt to get to and from each job site using its own equipment. Should ALLIED be unable to do so because of poor or inadequate road conditions, and should it become necessary to employ a tractor or other pulling equipment to get to or from the job site, the tractor or pulling equipment will be supplied by CUSTOMER or, if furnished by ALLIED, will be charged to and paid by CUSTOMER.

—**PREPARATION CHARGES:** If a job and/or merchandise is ordered and CUSTOMER cancels the order after preparation of a chemical solution or other material, CUSTOMER will pay ALLIED for the expenses incurred by ALLIED as a result of the cancellation.

—**DEADHAUL, CHARGES:** Unless otherwise specified on the front of this Contract, a deadhaul charge as set forth in ALLIED'S current price book will be charged each way for each service unit which is ordered by CUSTOMER but not used.

—**SERVICE CONDITIONS AND LIABILITIES:**

1. ALLIED carries public liability and property damage insurance, but since there are so many uncertain and unknown conditions beyond ALLIED'S control, ALLIED shall not be liable for injuries to property or persons or for loss or damage arising from the performance of the job or delivery of the merchandise. CUSTOMER shall be responsible for and indemnify, defend, and hold harmless ALLIED, its officers, agents and employees, from and against any and all claims or suits for:

(A) Damage to property or for bodily injury, sickness, disease, or death, brought by any person, including CUSTOMER and/or the well owner; and:

(B) Oil spills, pollution, surface or sub-surface damage, injury to the well, reservoir loss, or damage arising from a well blowout arising out of or in connection with ALLIED'S performance of the job or furnishing of merchandise in accordance with this contract, unless such loss or damage is caused by the willful misconduct or gross negligence of ALLIED or its employees.

2. With respect to any of ALLIED'S tools, equipment, or instruments which are lost in the well or damaged when performing or attempting to perform the job or, in the case of marine operations, are lost or damaged at any time after delivery to the landing for CUSTOMER and before return to ALLIED at the landing, CUSTOMER shall either recover the lost item without cost to ALLIED or reimburse ALLIED the current replacement cost of the item unless the loss or damage results from the sole negligence of ALLIED or its employees.

3. ALLIED does not assume any liability or responsibility for damages or conditions resulting from chemical action in cements caused by contamination of water or other fluids.

WARRANTIES:

1. ALLIED warrants all merchandise manufactured or furnished by it to be free from defects in material and workmanship under normal use and service when installed, and used, and/or serviced in the manner provided and intended. ALLIED'S obligation under this warranty is expressly limited to repair, replacement, or allowance for credit, at its option, for any merchandise which is determined by ALLIED to be defective. **THIS IS THE SOLE WARRANTY OF ALLIED AND NO OTHER WARRANTY IS APPLICABLE, EITHER EXPRESS OR OTHERWISE IMPLIED, IN FACT OR IN LAW, INCLUDING ANY WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE, CUSTOMER'S sole and only remedy with regard to any defective merchandise shall be the repair or replacement thereof or allowance for credit as herein provided, and ALLIED shall not be liable for any consequential, special, incidental, or punitive damages resulting from or caused by defective materials, products or supplies.**

2. More specifically:

(A) Nothing in this contract shall be construed as a warranty by ALLIED of the success or the effectiveness of the result of any work done or merchandise used, sold, or furnished under this contract.

(B) Nothing in this contract shall be construed as a warranty of the accuracy or correctness of any facts, information, or data furnished by ALLIED or any interpretation of tests, meter readings, chart information, analysis of research, or recommendations made by ALLIED, unless the inaccuracy or incorrectness is caused by the wilful misconduct or gross negligence of ALLIED or its employees in the preparation or furnishing of such facts, information or data.

(C) Work done by ALLIED shall be under the direct supervision and control of the CUSTOMER or his agent and ALLIED will accomplish the job as an independent contractor and not as an employee or agent of the CUSTOMER.