

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL

Form ACO-1
June 2009
Form Must Be Typed
Form must be Signed
All blanks must be Filled

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

OPERATOR: License # 34224
Name: Red Cloud Exploration Operating, LLC
Address 1: 1611 St. Andrews Dr. 3rd FL
Address 2: _____
City: Lawrence State: KS Zip: 66047 + _____
Contact Person: Kevin Sylla
Phone: (415) 850-9183
CONTRACTOR: License # 33986
Name: Owens Petroleum Services, LLC
Wellsite Geologist: George Peterson
Purchaser: Coffeyville Resources

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Designate Type of Completion:
 New Well Re-Entry Workover
 Oil WSW SWD SIOW
 Gas D&A ENHR SIGW
 OG GSW Temp. Abd.
 CM (Coal Bed Methane)
 Cathodic Other (Core, Expl., 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
 Conv. to GSW
 Plug Back: _____ Plug Back Total Depth _____
 Commingled Permit #: _____
 Dual Completion Permit #: _____
 SWD Permit #: _____
 ENHR Permit #: _____
 GSW Permit #: _____
2/01/10 2/06/10 3/03/10
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 207-27534-00-00
Spot Description: _____
SE SE SE NW Sec. 20 Twp. 25 S. R. 17 East West
2,805 Feet from North / South Line of Section
2,475 Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Woodson
Lease Name: Purcell Well #: 2-09
Field Name: Humboldt-Chanute
Producing Formation: Squirrel
Elevation: Ground: 976 Kelly Bushing: na
Total Depth: 900 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at: 40 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set: _____ Feet
If Alternate II completion, cement circulated from: 898
feet depth to: Ø w/ 128 sx cmt.

Drilling Fluid Management Plan
(Data must be collected from the Reserve Pit)
Chloride content: fresh ppm Fluid volume: 250 bbls
Dewatering method used: pumped out
Location of fluid disposal if hauled offsite: _____
Operator Name: _____
Lease Name: _____ License #: _____
Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West
County: _____ Permit #: _____

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.

AFFIDAVIT

I am the affiant and I hereby certify that 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: [Signature]
Title: Manager Date: 27 May 2010

KCC Office Use ONLY

Letter of Confidentiality Received
Date: _____
 Confidential Release Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution
ALT I II III Approved by: Dig Date: 6/24/10

Kepley Well Service, LLC

19245 Ford Road
Chanute, KS 66720

Date	Invoice #
2/8/2010	A-44773

Cement Treatment Report

Red Cloud Exploration Operating LLC
ATTN: Kevin Sylla
161 St. Andrews Drive, 3rd Floor
Lawrence, KS 66047

(x) Landed Plug on Bottom at 500 PSI
 () Shut in Pressure
 (x) Good Cement Returns
 () Topped off well with _____ sacks
 (x) Set Float Shoe - shut it

TYPE OF TREATMENT: Production Casing
 HOLE SIZE: 5 5/8"
 TOTAL DEPTH: 900

Well Name	Terms	Due Date	
Purcell	Net 15 days	2/23/2010	
Service or Product	Qty	Per Foot Pricing/Unit Pricing	Amount
Run in and cement 2 7/8"	890	3.00	2,670.00
Sales Tax		6.30%	0.00

Purcell #2-09
Woodson County
Sec: 20
Twn: 25
Rge: 17
API:

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Hooked onto 2 7/8" casing. Established circulation with 4 barrels of water, 4 GEL, 1 METSO, COTTONSEED ahead, blended 128 sacks of OWC cement, dropped rubber plug, and pumped 5 barrels of water

Total	\$2,670.00
Payments/Credits	\$0.00
Balance Due	\$2,670.00

GEOLOGISTS REPORT

For

RED CLOUD EXPLORATION OPERATING LLC

PURCELL 2-09
SE ¼, SE ¼, SW ¼, NW ¼,
Sec 20, T25S, R17E
Woodson County, Kansas

The formation tops and intervals for this report were taken from the Gamma / Neutron log and are based on a ground level elevation of 976' which was taken from a U.S.G.S 7 ½, minute quad sheet.

	Depth	Datum	Thickness
Base Kansas City Group:	432	+544	
Altamont ls	622	+344	
Mulkey coal	784	+182	
U. Squirrel sd	798	+178	6'
L. Squirrel	825	+151	30'

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RTD 900 LTD 893

Sample returns were examined microscopically and under black light from the middle of the Pawnee limestone through the Squirrel sand sequence. Samples were caught at 2 foot intervals until the top of the lower Squirrel was found and then samples were caught at 4-6 foot intervals.

During the drilling of the Purcel 1-09 there was an odor noted in the lower Marmaton group consisting of the lower Pawnee limestone and the Fort Scott limestone. The odor was again noted in samples from this well. There was a very slight show of oil along with slight cut and fluorescence under black light. The further evaluate these intervals, it is recommended that a good set of open hole logs be run to get good resistivity and porosity data.

The upper Squirrel sand had a limited thickness and no odor or show was found in the samples.

The lower Squirrel sand had samples consisting of a fine to medium grained quartz sand that appeared to be slightly shaly in nature. The log also indicates that there are probably shale laminations within the unit. There was a strong petroleum odor present in the samples and a good show of medium brown free oil. There was good yellow fluorescence when exposed to a black light. This oil show continued for

some time and when the Gamma log was run the log indicated that the sand continued with increasing amounts of shale and shale partings to about 846 feet.

Based on the log response and the show of oil in the samples, the determination was made to perforate from 826-30 and from 834-840 with 4 shots per foot.

The next Purcell location needs to have the drilling closely monitored to see if the sand becomes cleaner through its total thickness, or if the cleaner sands may lay in another direction on the lease.

CONCLUSIONS AND RECOMMENDATIONS:

This well appears to have the potential to produce commercial quantities of oil. To evaluate which direction to develop the lease, it becomes important to obtain reasonably accurate elevation on the existing wells so that cross sections can be developed to aid in determining the best way to develop the lease.

It is hoped that the geograph can be repaired in the near future so that the various geologic tops can be more easily determined during the drilling process.

At some point a good set of logs, to include both resistivity and compensated neutron density/porosity logs will be necessary if there is a need to develop reserve information as well as to evaluate any potential pay intervals in the Lansing/ Kansas City and Marmaton groups.

This well is 6' higher on the lower sand when compared to the 1-09. The Collins # Hemi 1 is 4' higher using a ground elevation taken from a USGS quad map of 945. The elevation shown on that log listed 960' as GL.

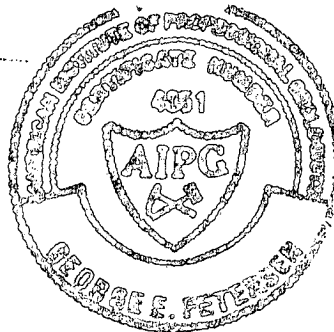
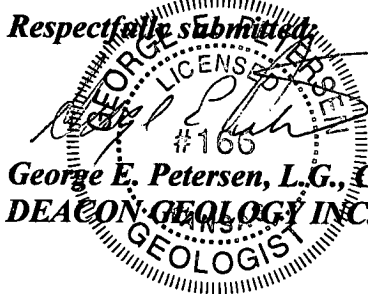
DISCLAIMER:

The author of this report has no working or over riding royalty interest in this well or in any wells on this lease. This report is based on the opinions and observations of the author based on training, experience gained from other wells in the area and information gained from the samples and logs from this well.

Should additional information be required, please contact me.

Respectfully Submitted,

*George E. Petersen, L.G., C.P.G.
DEACON GEOLOGY INC.*



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