

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

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 #: \_\_\_\_\_

12/1/09	12/3/09	1/18/2010
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 207-27536-00-00  
Spot Description: \_\_\_\_\_  
CS<sub>1/2</sub> SE SW SW Sec. 21 Twp. 25 S. R. 17  East  West  
165 Feet from  North /  South Line of Section  
990 Feet from  East /  West Line of Section  
Footages Calculated from Nearest Outside Section Corner:  
 NE     NW     SE     SW  
County: Woodson  
Lease Name: Reno Well #: 3-09  
Name: Humboldt-Chanute  
Producing Formation: Squirrel  
Elevation: Ground: 958 Kelly Bushing: na  
Total Depth: 852 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: \_\_\_\_\_  
feet depth to: \_\_\_\_\_ w/ \_\_\_\_\_ 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: [Handwritten Signature]  
Title: Manager Date: 29.03.2010

**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: [Signature] Date: 6/23/10

Operator Name: Red Cloud Exploration Operating, LLC Lease Name: Reno Well #: 3-09  
 Sec. 21 Twp. 25 S. R. 17  East  West County: Woodson

**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 complete copy of all Electric Wire-line Logs surveyed. Attach final geological well site report.

Drill Stem Tests Taken <input type="checkbox"/> Yes <input checked="" 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 Electric Log Submitted Electronically <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>(If no, Submit Copy)</i>  List All E. Logs Run: <b>GAMMA RAY/NEUTRON/CCL</b>	<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:60%;">Name</td> <td style="width:20%;">Top</td> <td style="width:20%;">Datum</td> </tr> <tr> <td>U.Squirrel</td> <td>752</td> <td>+206</td> </tr> <tr> <td>L.Squirrel</td> <td>775</td> <td>+183</td> </tr> </table>	Name	Top	Datum	U.Squirrel	752	+206	L.Squirrel	775	+183
Name	Top	Datum								
U.Squirrel	752	+206								
L.Squirrel	775	+183								

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	9-7/8"	7"	17	40'	Portland	20	None
Production Casing	5-5/8"	2-7/8"	6.7	839	owc	107	

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
3	776.0-784.0	Spotted 3 BBLS of 15% HCL on zone; frac with 139 sacks of sand	

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**WICHITA, KS**

TUBING RECORD: Size: <u>2-7/8"</u> Set At: <u>839</u> Packer At: _____		Liner Run: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Date of First, Resumed Production, SWD or ENHR. _____		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.	Gas Mcf	Water Bbls. Gas-Oil Ratio Gravity

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 type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____ <i>(Submit ACO-5) (Submit ACO-4)</i>	PRODUCTION INTERVAL: _____ _____
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# KWS, LLC

19245 Ford Road  
 Chanute, KS 66720  
 (620) 431-9212  
 Mobile (620) 431-8945

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

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Date	Invoice
12/4/2009	912-1292

Date: 12-4-09  
 Well Name: Reno #3-09  
 Section: 21  
 Township: 25  
 Range: 17  
 County: Woodson County  
 API:  
 PO#

## CEMENT TREATMENT REPORT

TYPE OF TREATMENT: Production Casing  
 HOLE SIZE: 5 5/8"  
 TOTAL DEPT: 852  
 WIRE LINE READING BEFORE:  
 WIRE LINE READING AFTER:

- Landed Plug on Bottom at 600 PSI
- Shut in Pressure
- Lost Circulation
- Good Cement Returns
- Topped off well with \_\_\_\_\_ Sacks
- Set Float Shoe - Shut In

Service or Product	Quantity	Per Foot Pricing/Unit Pricing	Amount
Run and cement 2 7/8"	839	2.80	2,349.20

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**\$2.80 per foot if paid within 30 days, otherwise  
 \$3.00 per foot, with interest added after 45 days.**

Hooked onto 2 7/8" casing. Established circulation with 3 barrels of water, 4 GEL, 1 METSO, COTTONSEED ahead, blended 107 sacks of OWC cement, dropped rubber plug, and pumped 5 barrels of water.

<b>Subtotal</b>	\$2,349.20
<b>Sales Tax (6.3%)</b>	\$0.00
<b>Balance Due</b>	\$2,349.20

# **GEOLOGISTS REPORT**

*For*

## **RED CLOUD EXPLORATION OPERATING LLC**

### **RENO 3-09**

**C/S 1/2, SE 1/4, SW 1/4, SW 1/4,  
Sec 21, 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 958' which was taken from a U.S.G.S 7 1/2, minute quad sheet.*

	<i>Depth</i>	<i>Datum</i>	<i>Thickness</i>
<i>Base Kansas City Group:</i>	382	+576	
<i>Altamont ls</i>	573	+385	
<i>Mulkey coal</i>	746	+212	
<i>U. Squirrel sd</i>	752	+206	12'
<i>L. Squirrel</i>	775	+183	21'

**RTD 852 LTD 831**

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*Sample returns were examined microscopically and under black light from the top of the Cherokee 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.*

*The samples consisted of a fine to medium, to coarse grained quartz sand that appeared to be slightly shaly in the upper 5 feet with increasing shale content with increasing depth.. The log also indicates that there are 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 796 feet. There was an indication that the sand was becoming slightly less sandy from 805 to the bottom of the log at 820 feet.*

*Based on the log response and the show of oil in the samples, the determination was made to perforate from 776-84 with 3 shots per foot. The suggestion for three shots per foot was due to the cleaner sand thickness through the interval when compared to that encountered in the Reno #4-09.*

**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.*

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



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