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ORIGINAL

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION  
WELL COMPLETION FORM  
WELL HISTORY - DESCRIPTION OF WELL & LEASE

Form ACO-1  
September 1999  
Form Must Be Typed

KCC  
Mun  
7/18/08

6/30/10

Operator: License # 32294  
Name: Osborn Energy, L.L.C.  
Address: 24850 Farley  
City/State/Zip: Bucyrus, KS 66013  
Purchaser: Akawa Natural Gas, L.L.C.  
Operator Contact Person: Curstin Hamblin  
Phone: ( 913 ) 533-9900  
Contractor: Name: OSBORN ENERGY, LLC  
License: 32294  
Wellsite Geologist: Curstin Hamblin

Designate Type of Completion:  
 New Well  Re-Entry  Workover  
 Oil  SWD  SLOW  Temp. Abd.  
 Gas  ENHR  SIGW  
 Dry  Other (Core, WSW, Excl. Cathodic, etc)

If Workover/Re-entry: Old Well Info as follows:  
Operator: \_\_\_\_\_  
Well Name: \_\_\_\_\_  
Original Comp. Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_

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\_\_\_\_\_ 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. \_\_\_\_\_

5/30/2008 6/4/2008  
Spud Date or Date Reached TD Completion Date or  
Recompletion Date Recompletion Date

API No. 15 - 121-28600-0000  
County: Miami  
SW NE NW SE Sec. 1 Twp. 16 S. R. 24  East  West  
330 feet from S / (N) Line of Section  
1990 feet from (E) W Line of Section

Footages Calculated from Nearest Outside Section Corner:  
(circle one) (NE) SE NW SW  
Lease Name: Gangel Well #: 3-1  
Field Name: Paola/Rantule

Producing Formation: Marmaton  
Elevation: Ground: 998 Kelly Bushing: \_\_\_\_\_  
Total Depth: 667' Plug Back Total Depth: \_\_\_\_\_  
Amount of Surface Pipe Set and Cemented at 20 Feet  
Multiple Stage Cementing Collar Used?  Yes  No  
If yes, show depth set \_\_\_\_\_ Feet  
If Alternate II completion, cement circulated from 0  
feet depth to 547 w/ 113 sx cmt.

Drilling Fluid Management Plan Alt II NH 8-13-08  
(Data must be collected from the Reserve Pit)

Chloride content \_\_\_\_\_ ppm Fluid volume \_\_\_\_\_ bbls  
Dewatering method used \_\_\_\_\_  
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: Curstin Hamblin  
Title: Geologist Date: 6-30-08  
Subscribed and sworn to before me this 30<sup>th</sup> day of June  
2008  
Notary Public: [Signature]  
Date Commission Expires: \_\_\_\_\_

**Jane Brewer**  
Notary Public  
State of Kansas  
My Commission Expires 7-23-11

**KCC Office Use ONLY**  
Y Letter of Confidentiality Received  
If Denied, Yes  Date: \_\_\_\_\_  
 Wireline Log Received  
 Geologist Report Received **RECEIVED**  
 UIC Distribution **KANSAS CORPORATION COMMISSION**  
**JUL 03 2008**

Operator Name: Osborn Energy, L.L.C. Lease Name: Gangel Well #: 3-1  
Sec. 1 Twp. 16 S. R. 24 [x] East [ ] West County: Miami

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 [x] No  
(Attach Additional Sheets)  
Samples Sent to Geological Survey [ ] Yes [x] No  
Cores Taken [ ] Yes [x] No  
Electric Log Run [x] Yes [ ] No  
(Submit Copy)

[ ] Log Formation (Top), Depth and Datum [ ] Sample  
Name Top Datum

List All E. Logs Run:

Gamma Ray Neutron

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CASING RECORD [ ] New [ ] 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	13"	10 3/4"	CONFIDENTIAL	20'	Portland	6	Water
Production	9 1/4"	7"	JUN 30 2008	547'	Consolidated	1/2 Ticket	Attached
Liner	None		KCC				

*Revised  
Casing  
Ticket  
7/15/08*

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

TUBING RECORD Size Set At Packer At Liner Run [x] Yes [ ] No

Date of First, Resumerd Production, SWD or Enhr. Producing Method [ ] Flowing [x] Pumping [ ] Gas Lift [ ] Other (Explain)

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

Disposition of Gas METHOD OF COMPLETION Production Interval  
[ ] Vented [ ] Sold [ ] Used on Lease [x] Open Hole [ ] Perf. [ ] Dually Comp. [ ] Commingled  
(If vented, Submit ACO-18.) [ ] Other (Specify)

CONSOLIDATED OIL WELL SERVICES, INC.  
 P.O. BOX 884, CHANUTE, KS 66720  
 620-431-9210 OR 800-467-8676

TICKET NUMBER 16133  
 LOCATION Ottawa KS  
 FOREMAN Fred Mader

TREATMENT REPORT & FIELD TICKET  
 CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
6/19/08	6073	Gangel #3-1	1	16	24	MJ

  

CUSTOMER	TRUCK #	DRIVER	TRUCK #	DRIVER
Osborn Energy LLC Mailing Address 24850 Farley City Bucyrus State KS ZIP CODE 66013	506	Fred		
	495	Casey		
	503	Brian		

JOB TYPE Long string HOLE SIZE 9 1/4 HOLE DEPTH 660' CASING SIZE & WEIGHT 7"  
 CASING DEPTH 547' DRILL PIPE \_\_\_\_\_ TUBING 1" Wash string OTHER \_\_\_\_\_  
 SLURRY WEIGHT \_\_\_\_\_ SLURRY VOL \_\_\_\_\_ WATER gal/sk \_\_\_\_\_ CEMENT LEFT in CASING 10#'  
 DISPLACEMENT 22.5BBL DISPLACEMENT PSI \_\_\_\_\_ MIX PSI \_\_\_\_\_ RATE 5BPM

REMARKS: Wash open hole sanded back to 541' wash excess sand to 547' w/ 1" tubing. Mix + Pump 200# Gal Flush. Mix + Pump 16 BBL Telltale dye Follow w/ (115 SKS) 50/50 for Mix Cement 2% Gel. Displace casing clean w/ 22 BBLs Fresh water. Shut in Casing.

Fred Mader

Customer Supplied Water.

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
5401	1	PUMP CHARGE <u>Cement Pump</u>	495	925 <sup>00</sup>
5406	45 mi	MILEAGE <u>Pump Truck</u>	495	164 <sup>25</sup>
5407	Minimum	<u>Ton Mileage</u>	503	315 <sup>00</sup>
5609	1 hr.	<u>Cement Pump Wash</u>	495	200 <sup>00</sup>
1124	113 SKS	<u>50/50 for Mix Cement</u>		1101.75
1118B	393#	<u>Premium Gel</u>		66.81
		CONFIDENTIAL		
		JUN 30 2008	Sub Total	2272.81
		KCC	Tax @ 6.55%	76.54
		RECEIVED KANSAS CORPORATION COMMISSION		
		JUL 03 2008		
		CONSERVATION DIVISION WICHITA, KS		
		SALES TAX		
		ESTIMATED TOTAL		2849.35

AUTHORIZATION Custer Hansen TITLE 222952

DATE \_\_\_\_\_

## Geological Report

### Gangel # 3-1

330' FNL, 1990' FEL  
 Section 1-T16-R24E  
 Miami Co., Kansas  
 API# 15-121-28600-0000  
 Elevation: 998' GL  
 Drilling Contractor: Osborn Energy, L.L.C (Lic. # 32294)  
 Spud: 5/30/2008  
 Production Bore Hole: 9 1/4"  
 Rotary Total Depth: 667', sand filled to 560'  
 Drilling Fluid: air  
 Surface Csg.: 10 3/4" set to 20'  
 Production Csg.: 7"- set at 547'  
 Geologist: Curstin Hamblin

<u>Formation</u>	<u>Geologist Log Tops</u>	<u>E-Log Tops</u>	<u>Datum</u>
Stark Shale	236-237'	230-235'	768'
Hushpuckney Shale	266-268'	260-266	738'
Base Kansas City	297?'	282'	716'
Big Shale	298'		
Knobtown Sand	320-387'		
Carbonaceous Zone in Tacket Fm.	406		
"Big Lake" Sand	'		
South Mound Zone	461-466'	456-460'	542'
Hepler (Wayside) Sand	No call		
"Upper" Mulberry Zone	No call		
Mulberry Zone	No call		
Weiser Sand	'		
Myrick Station	545-555'	540-544'	458'
Anna Shale (Lexington Coal Zone)	No Show	No Show	
Peru Sand	No call		
Summit Shale Zone	565-570'	559-564'	439'
Mulky Coal/Shale Zone	600'	591-600'	407'
Squirrel Sand	'		
Bevier Coal		644-646'	354'
Rotary Total Depth	667'		331'

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Drilling at 92' in the Kansas City on June 3, 2008  
Background Gas (BG) 2.9 units

92-102: SH: Silty, gummy shale  
102-115: SH: gummy, silty, LS: 5%, tan & white  
115-125: LS: to 122, grey, white, SH: 123-125: grey, silty  
125-135: SH: gummy, grey  
135-145: LS: 65%, white, SH: 30%, grey, SH: 5%, black  
145-155: SH: grey  
155-165: SH: grey, gummy, silty  
165-175: SH: grey, silty  
175-185: SH: 175-178, grey, silty, LS: 179-185: tan/pink, calcitic fractures  
185-195: LS: 50%, tan, white, calcitic fractures, SH: grey, silty  
195-205: SH: grey, very gummy  
205-217: SH: grey, silty  
\*\*\*\*\*Up to this point the sample sets may be off by 2 feet. 217' was Kelly  
down and we started renumbering bags at that point\*\*\*\*\*  
217-227: LS: lt grey

**STARK FORMATION** Geologist called @ 236-237', no gas kick BG running at 12 units  
227-237: SH: grey, 70%, SH: black, 7%, LS: lt grey  
236: SH: black, very few gas bubbles. Bubbles formed on the edges under water,  
but never released from the edges. The edges we're fairly covered in bubbles.  
242: Kelly down, no connection gas  
237-247: SH: 50%, grey, some black, LS: 50%, tan, lots of fossils  
247-257: LS: lt grey, white, calcitic fractures  
257-267: LS: 90% grey, with calcitic fractures, SH: black with crystal growth

**HUSHPUCKNEY SHALE** Geologist called @266-268', No gas kick, running at 9.5 units  
**\*\*GAS TEST @267', 0 MCF\*\***

266: black shale, more gas bubbles than stark, but not many. All surfaces  
covered with bubbles, and a few release and reform. 1 or 2 continuous streams of  
gas bubbles  
267-277: SH: grey, LS: grey & tan  
277-287: LS: lt grey  
287-297: LS: lt grey 90%, SH: 10% grey, some black still.  
\*\*\*the samples are really fine and are only coming out every 3'\*\*\*  
297-307: SH: grey, silty, gummy SS: grey  
309': gas kick from 9.5 to 11.4 units, now running at 9.8 units  
307-317: SH: gummy, grey, SS: some, grey  
317': spuratic connection gas (low-high-low-high), now running at 7.5 units  
317-327: SS: grey, muscovite stripes PYRITE: 1%  
327-337: SS: grey, small grains  
\*\*\*Brian is having a hard time drilling this well. It seems to be taking water  
instead of producing water. The samples and the water are both coming out in  
surges instead of a constant stream like normal  
337-347: SS: 50%, grey, SH: 50%, grey  
-The surging has quit  
347-357: SS: grey  
357-367: SS: grey  
367-377: SS: grey, fine grained 1% has pyritic growth  
-The hole is taking the water again, having troubles with samples  
377-387: SS: dk grey, Crinoid stem fossils 1%

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387-397: SH: grey, gummy  
397-407: SH: grey, COAL: 2%, pyritic growth, good gas bubbles, some large bubbles, small bubbles cover the surface.  
407-417: SH: 48% grey, SS: 48% grey/green, Coal: 2%, some crinoid fossils  
417-427: SH: grey, very silty \*\*\*Terrible samples coming out!  
427-437: SS: grey, silty  
437-447: SS: grey  
447-457: SS: grey, SH: grey

**SOUTH MOUND ZONE** Geologist called @461-466', No gas kick, the chromatograph was not working

**\*\*GAS TEST @467', 0 MCF Total\*\***

462': fair to good gas bubbles  
465': good gas bubbles, several constant streams, all over the edges  
457-467: SH: grey, silty, dark grey, not quite black, but that is what the gas in the samples is coming from.

Stopped drilling at 467 at 6:42 pm on 6/3/2008

Started drilling at 467 on 6/4/2008

Background gas running at 10.3 units

467-477: very small samples, first cuttings out of the hole, SH: black, some grey, SS: grey, Pyrite: 1%  
477-487: SH: 50% gummy, grey, SS: 50% grey, samples are getting better

**\*\*GAS TEST @492', Puffs of gas can be seen, 0 MCF Total\*\***

497': connection gas from 10.1 to 60.1 units

487-497: SH: grey, gummy, Coal: 1%  
497-507: SH: grey, gummy, SS: grey, medium grained, LS: 5%, tan  
507-517: SH: grey, gummy, rolls into balls, LS: 5%, tan  
517': connection gas from 10.3 to 24.6 units  
\*\*\*very small samples starting at 517  
517-527: SH: grey, gummy, LS: 5-10%, tan, Coal: 1% probably from up hole, very small samples  
527-537: SH: grey, gummy, SS: 30%, grey  
537-547: SH: grey, gummy, SS: 30%, grey, LS: 10%, Tan  
547-557: LS: white, SH; grey, some gummy, some silty

**WEISER SAND**

**\*\*GAS TEST @           ',           MCF Total\*\***

**LEXINGTON COAL ZONE** not developed

**SUMMIT SHALE ZONE** Geologist called @565', No gas kick

**\*\*GAS TEST @567', 0 MCF Total\*\* the gas can be felt, but it is surging, it is not very good kicks**

559': dark grey shale, some gas bubbles, not all pieces, only 1 of 5, and that one has good gas bubbles  
557-567: SH: dk grey, some gummy, SH: black, LS: white, tan, PYRITE, 5%, stand alone and growth on shale

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565': good gas bubbles, small bubbles over every surface, bubbles growing with time, small constant streams

\*\*\*Connection gas from 13.3 to 335.7 units

BG running at 7.3 units

567-577: SH: black, some gummy and grey

577-587: SH: 50% grey, 20% black, LS: 30%, white and tan

**\*\*GAS TEST @592', 0 MCF Total \*\* I can feel surges by hand, but not enough to measure**

592': connection gas from 0 to 67.5 units, now running at 9.8 units

587-597: LS: lt grey, tan, SH: dk grey, lt grey

593': dark grey/black shale gas kick to 35.6 units

597': gas kick to 87.3

**MULKY COAL/SHALE ZONE** Geologist called @ 600', kick to 87.3 units, 77.5 over BG

**\*\*GAS TEST @617', 38 MCF Total \*\***

600': good gas bubble, on every surface

603': good gas bubbles, on every surface, grow with time, a few constant streams

608': some gas bubbles, pulled black/dk grey shale and some coal, coal has good gas bubbles

\*\*\* I don't know the depth of the coal, but it has very good gas bubbles and is below the Mulky

597-607: SH: black, angular, can see gas bubbles in the regular sample, LS: grey

607-617: SH: black shale, angular, calcitic growth, SH: dk grey, shiny/grainy,

COAL: 5%

Connection gas is off the charts

617-627: SH: black, grey, PYRITE: 5%

627-637: SH: grey, black, some pyritic growth, Pyrite: 2%

642': connection gas off to 217'

637-647: very dk grey shale, some lt grey, COAL: 5-10%, some has pyritic growth, can see gas bubbles in regular sample set

647-657: SH: dk grey, banded, some grey and gummy, SS: 1%

657-667: SH: dk grey, some lt grey, gummy, LS: 1%

**\*\*GAS TEST @667', 98 MCF, died to 35 MCF. 60 MCF increase, 98 mcf Total \*\***

\*\*\*Gas test 15 minutes after finished drilling, still 35 MCF open flow\*\*

Finished drilling at 3:17pm on 6/4/2008, want to run 7" production casing, log and figure out what the hole is doing.

Total Rotary Depth, 667'

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