

CONFIDENTIAL

ORIGINAL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form ACO-1
September 1999
Form Must Be Typed

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

7/25/10

Operator: License # 5363
Name: Berexco Inc.
Address: P. O. Box 20380
City/State/Zip: Wichita, KS 67208
Purchaser: Central Crude Corporation
Operator Contact Person: Evan Mayhew
Phone: (316) 265-3311
Contractor: Name: Beredco Drilling
License: 5147
Wellsite Geologist: Bryan Bynog

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

If Workover/Re-entry: Old Well Info as follows:
Operator: _____

Well Name: KCC
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. _____

21 May 2008 01 June 2008 16 July 2008
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 083-21551-00-00
County: Hodgeman
S/2, N/2, NW, NE Sec. 18 Twp. 22 S. R. 23 East West
530 feet from S (N) (circle one) Line of Section
1980 feet from (E) W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) (NE) SE NW SW
Lease Name: Reed E Well #: 1
Field Name: _____

Producing Formation: Mississippi
Elevation: Ground: 2425' Kelly Bushing: 2436'
Total Depth: 4730' Plug Back Total Depth: 4784'
Amount of Surface Pipe Set and Cemented at 278 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set 1736 Feet
If Alternate II completion, cement circulated from 1736
feet depth to surface w/ 330 sx cmt.

Drilling Fluid Management Plan As per 6/30/10
(Data must be collected from the Reserve Pit)
Chloride content 30,000 ppm Fluid volume 1,000 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.: _____

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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: Michael R. Smith
Title: ENGINEERING TECHNICIAN Date: 25 JULY 2008
Subscribed and sworn to before me this 25th day of July

Notary Public: Diana E Bell
Date Commission Expires: Aug 10, 2011

DIANA E. BELL
Notary Public - State of Kansas
My Appt. Expires 8-10-11

KCC Office Use ONLY
 Letter of Confidentiality Attached
 If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution

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JUL 28 2008

CONSERVATION DIVISION
WICHITA, KS

Operator Name: Berexco Inc. Lease Name: Reed E Well #: 1
 Sec. 18 Twp. 22 S. R. 23 East West County: Hodgeman

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 <i>(Attach Additional Sheets)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample
Samples Sent to Geological Survey	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Name	Top	Datum
Cores Taken	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Heebner	3994'	(-1558')
Electric Log Run <i>(Submit Copy)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Lansing	4046'	(-1610')
List All E. Logs Run:		Base KS City	4436'	(-2000')
Microresistivity Log, Dual Induction Log, Borehole Compensated Sonic Log, Dual Compensated Porosity Log		Ft Scott	4595'	(-2159')
		Mississippi	4688'	(-2252')

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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	12 1/4"	8 5/8"	20#	278'	Comm	175	3%cc, 2%gel
production	7 7/8"	5 1/2"	15.5#	4728'	65/35 + ASC	100+150	6%gel, 1/4#seal
D-V tool				1736'	65/35 + ASC	300+50	2%gel in ASC

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
4 spf	Perfs 4708' - 4724' (Mississippi)	500 gals 15% NEFE-HCL	4708'-24'

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TUBING RECORD	Size	Set At	Packer At	Liner Run	CONSERVATION DIVISION WICHITA, KS
	2 7/8"	4706'	no pkr	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Date of First, Resumed Production, SWD or Enhr.	Producing Method				
16 July 2008	<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
	50	no gas	38	no gas	

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

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

Production Interval: 4708' - 4724'

ALLIED CEMENTING CO., LLC. 33065

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

SERVICE POINT:
Great Bend

DATE <i>5-21-08</i>	SEC <i>18</i>	TWP. <i>22S</i>	RANGE <i>23W</i>	CALLED OUT <i>8:00pm</i>	ON LOCATION <i>9:30pm</i>	JOB START <i>11:30pm</i>	JOB FINISH <i>12:30AM</i>
LEASE <i>Reed E</i>		WELL # <i>1</i>	LOCATION <i>Jetmore 5N TO RD 3/4 E</i>		COUNTY <i>Hodgeman</i>	STATE <i>KS</i>	
OLD OR <input checked="" type="radio"/> NEW (Circle one)			<i>S/INTO</i>				

CONTRACTOR *Berexco Rig 10*

TYPE OF JOB *SURFACE*

HOLE SIZE *12 1/4* T.D. *278.17*

CASING SIZE *8 5/8* DEPTH *278.17*

TUBING SIZE _____ DEPTH _____

DRILL PIPE *4 1/2* DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX *200* MINIMUM *50*

MEAS. LINE _____ SHOE JOINT *15'*

CEMENT LEFT IN CSG. *150* **CONFIDENTIAL**

PERFS. _____

DISPLACEMENT *FRESH WATER* **CONFIDENTIAL**

EQUIPMENT *RCC*

PUMP TRUCK CEMENTER *Dwayne W*

120 HELPER *Wayne D*

BULK TRUCK _____

342 DRIVER *Cayle S*

BULK TRUCK _____

_____ DRIVER _____

OWNER *Berexco*

CEMENT

AMOUNT ORDERED *175sx common + 3 1/2 cc + 24 gel*

COMMON	<i>175sx</i>	@	<i>12.30</i>	<i>2,152.50</i>
POZMIX		@		
GEL	<i>3sx</i>	@	<i>18.40</i>	<i>55.20</i>
CHLORIDE	<i>5sx</i>	@	<i>51.50</i>	<i>257.50</i>
ASC		@		
		@		
		@		
		@		
		@		
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<i>183sx</i>	@	<i>2.10</i>	<i>384.30</i>
MILEAGE	<i>183x26x.09 =</i>			<i>428.22</i>
				TOTAL <i>3,277.82</i>

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WICHITA, KS

REMARKS:

Pipe on bottom break circulation pump 175sx common + 3 1/2 cc + 24 gel shut down released plug and disp with 16 barrels of fresh water shut in cement did circulate

SERVICE

DEPTH OF JOB *278.17'*

PUMP TRUCK CHARGE _____ *900.00*

EXTRA FOOTAGE _____ @ _____

MILEAGE *.26* @ *7.00* *182.00*

MANIFOLD *Head Rent* @ *111.00* *111.00*

_____ @ _____

_____ @ _____

MAY 29 2008

TOTAL *1,193.00*

PLUG & FLOAT EQUIPMENT

8 5/8 wooden plug @ *67.00* *67.00*

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

TOTAL *67.00*

CHARGE TO: *Berexco*

STREET _____

CITY _____ STATE _____ ZIP _____

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 *x Marvin B. Julian* DISCOUNT _____ IF PAID IN 30 DAYS

SIGNATURE *x Marvin B. Julian*

Thank you

ALLIED CEMENTING CO., LLC. 30228

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

SERVICE POINT:

Russell

DATE <u>6-2-2008</u>	SEC. <u>18</u>	TWP. <u>22</u>	RANGE <u>23</u>	CALLED OUT	ON LOCATION	JOB START <u>10:30 AM</u>	JOB FINISH <u>11:00 PM</u>
LEASE <u>Reed</u>	WELL # <u>E #1</u>	LOCATION <u>Jetmore 5N 3/4E 4S INTD</u>			COUNTY <u>Hodgeman</u>	STATE <u>Kansas</u>	
OLD OR NEW (Circle one)							

CONTRACTOR Berexco Delg. Rig #10
 TYPE OF JOB Cement Production String (D-V)
 HOLE SIZE 7 7/8 T.D. 4730'
 CASING SIZE 5 1/2 New DEPTH 4729'
 TUBING SIZE # DEPTH
 DRILL PIPE DEPTH
 TOOL Latch Down Plug Assy DEPTH @ 4648'
 PRES. MAX MINIMUM
 MEAS. LINE SHOE JOINT 80'
 CEMENT LEFT IN CSG. 80'
 PERFS.
 DISPLACEMENT 110 3/4 / BAL

OWNER
 CEMENT 8.15
 AMOUNT ORDERED 100 SK. 65 1/35 6 9/16 GEL 4 SEAL
150 SK ASC 290 GEL

COMMON	<u>65 SK</u>	@ <u>12.15</u>	<u>789.75</u>
POZMIX	<u>35 SK</u>	@ <u>6.80</u>	<u>238.00</u>
GEL	<u>9 SK</u>	@ <u>18.25</u>	<u>164.25</u>
CHLORIDE		@	
ASC	<u>150 SK</u>	@ <u>15.05</u>	<u>2257.50</u>
F10-SEAL	<u>25 LB</u>	@ <u>2.20</u>	<u>55.00</u>
		@	
		@	
		@	
		@	
		@	
		@	
HANDLING	<u>259 TOTAL SK.</u>	@ <u>2.05</u>	<u>530.95</u>
MILEAGE	<u>26 TEN MILE</u>	@ <u>.094</u>	<u>606.06</u>
TOTAL			<u>4641.21</u>

EQUIPMENT
 PUMP TRUCK CONFIDENTIAL
 # 398 HELPER 3998
 BULK TRUCK
 # 218 DRIVER RBC OAKLEY
 BULK TRUCK
 # 410 DRIVER TRAVIS

REMARKS:
BOTTOM STAGE
LAND LATCH DOWN PLUG @ 1500 # (HELD)
DROP DART + OPEN D.V. TOOL @ 800 #
CIRCULATE 2 HR. - (1:00 AM 6-3-08)
THANKS

SERVICE

DEPTH OF JOB	<u>4729</u>		
PUMP TRUCK CHARGE			<u>1916.00</u>
EXTRA FOOTAGE		@	
MILEAGE	<u>26</u>	@ <u>7.00</u>	<u>182.00</u>
MANIFOLD		@	
		@	
		@	
TOTAL			<u>2098.00</u>

CHARGE TO: Berexco Inc.
 STREET _____
 CITY _____ STATE _____ ZIP _____

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 CONSERVATION DIVISION
 WICHITA, KS

JUN 13 2008

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.

PLUG & FLOAT EQUIPMENT

Float Shoe			<u>515.00</u>
LATCH Down Plug Assy	@		<u>449.00</u>
WeatherFOOD D.V. TOOL	@		<u>4380.00</u>
11 Centralizers	@ <u>55.00</u>		<u>605.00</u>
7 BASKETS	@ <u>181.00</u>		<u>1267.00</u>
1-STOP Ring	@		<u>27.00</u>
TOTAL			<u>7243.00</u>

SALES TAX (If Any) _____
 TOTAL CHARGES _____
 DISCOUNT _____ IF PAID IN 30 DAYS

PRINTED NAME _____
 SIGNATURE Mark Dutz

ALLIED CEMENTING CO., LLC.

30229

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

SERVICE POINT:
Russell

DATE <u>6-3-08</u>	SEC. <u>18</u>	TWP. <u>22</u>	RANGE <u>23</u>	CALLED OUT	ON LOCATION	JOB START <u>1:00 AM</u>	JOB FINISH <u>2:00 AM</u>
LEASE <u>Reed</u>	WELL # <u>E#1</u>	LOCATION <u>Jetmore 5N 3/4E 1/4 S INTD</u>			COUNTY <u>HODGKIN</u>	STATE <u>KANSAS</u>	
OLD OR <u>NEW</u> (Circle one)							

CONTRACTOR Berexco Dalg. Rig #10

TYPE OF JOB Cement Production String (D-V)

HOLE SIZE 7 7/8 T.D. 4230

CASING SIZE 5 1/2 New DEPTH 4229

TUBING SIZE 4 DEPTH

DRILL PIPE DEPTH

TOOL D.V. Tool @ DEPTH 1736'

PRES. MAX MINIMUM

MEAS. LINE SHOE JOINT

CEMENT LEFT IN CSG.

PERFS.

DISPLACEMENT 41.33/BAL

EQUIPMENT

PUMP TRUCK # 398 CEMENTER CONFIDENTIAL
HELPER 6/20/08

BULK TRUCK # 396 DRIVER BUBC

BULK TRUCK # 410 DRIVER TRAVIS

REMARKS:
TOP STAGE
Mixed 300 SK 65/35 6% Gel Followed
By 50 SK ASC.
V Cement did circulate to surface
Land Plug @ 1500' to close
D-V Tool. (held)
10 SK @ Mouse Hole
15 SK @ Rat Hole THANK'S

CHARGE TO: Berexco Inc.

STREET _____

CITY _____ STATE _____ ZIP _____

OWNER	<u>300?</u>		
CEMENT	<u>(used SK)</u>		
AMOUNT ORDERED	<u>400 SK / 35 6% GEL</u>	<u>1 #FFD</u>	<u>4 SEAL</u>
	<u>50 SK ASC 2% GEL</u>		
COMMON	<u>SK</u>	@	
POZMIX	<u>SK</u>	@	
GEL	<u>SK</u>	@	
CHLORIDE		@	
ASC	<u>50 SK</u>	@	<u>15.05</u> <u>752.50</u>
FIO-SEAL	<u>75 #</u>	@	<u>2.20</u> <u>165.00</u>
Life	<u>300 sk</u>	@	<u>11.45</u> <u>3435.00</u>
		@	
		@	
		@	
		@	
		@	
HANDLING	<u>475 TOTAL SK</u>	@	<u>2.05</u> <u>973.75</u>
MILEAGE	<u>26 Ton Mile</u>	@	<u>.094</u> <u>111.50</u>
TOTAL			<u>6437.75</u>

SERVICE

DEPTH OF JOB	
PUMP TRUCK CHARGE	<u>1045.00</u>
EXTRA FOOTAGE	@ _____
MILEAGE	@ <u>- NC -</u>
MANIFOLD	@ _____
	@ _____
	@ _____

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TOTAL 1045.00

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PLUG & FLOAT EQUIPMENT

	@	
	@	
	@	
	@	
	@	
TOTAL		

SALES TAX (If Any) _____

TOTAL CHARGES _____

DISCOUNT _____ IF PAID IN 30 DAYS

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 MARK LEICER

SIGNATURE Mark Leicer

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KCC

BEREXCO, INC.
REED E #1
S2N2NWE SECTION 18 T22S-R23W
HODGEMAN COUNTY, KANSAS

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CONSERVATION DIVISION
WICHITA, KS

GEOLOGIST
WILLIAM B. BYNOG

RESUME

OPERATOR: BEREXCO, INC.
WELL NAME & NUMBER: REED E # 1
LOCATION: S2N2NWNE SECTION 18 T22N-R23W
COUNTY: HODGEMAN
STATE: KANSAS
SPUD DATE: 5-21-2008 COMPLETION DATE: 6-2-2008
ELEVATIONS: GL: 2425' KB: 2436'
CONTRACTOR: BEREDCO RIG 10
LOGS: LOG TECH TYPES: DIL, DENSITY-NEUTRON,
MICROLOG & SONIC
ENGINEER: B. BECKER
WELLSITE ENGINEER: NONE
MUD COMPANY: MUD CO. MUD
MUD TYPE & ENGINEER: FRESH CHEMICAL: JODY DIETZ
GEOLOGIST: WILLIAM B. BYNOG
HOLE SIZE: 7 7/8
MUD LOGGING BY: EARTH TECH
DRILL STEM TEST COMPANY: TRILOBITE TESTING
DRILL STEM TEST: DST#1 2665-2705, DST#2 4690-4713,
and DST #3 4713-19
WELL STATUS: RAN PRODUCTION PIPE

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WICHITA, KS

SUMMARY AND CONCLUSION

Reed E # 1 was a Mississippian Test drilled a total depth of 4719 feet testing the Lansing Kansas City, Pawnee, Fort Scott and Mississippian Formations. Our primary objectives were the Fort Scott and Mississippian, secondary the Lansing Kansas City. This Prospect was drilled using 3D seismic.

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KCC

A gas detection unit was used in the upper hole and continued to total depth because of the possibility of shallow gas in the upper Chase zones. The Chase Winfield zone at 2650 feet did have a small gas show and was tested on drill stem test # 1 recovering only 10 feet of drilling mud. The Towanda zone at 2790-2800 also had a small gas increase but was not tested. Drilling continued to the Mississippian with only minor gas increases in carbonaceous shales, none of them worthy of a drill stem test.

The Upper Mississippian porosity zone at 4708-19 was primarily a dolomite with fair intercrystalline and vuggy porosity development, spotty to even stain, good cut and abundant white Chert. Drill stem test # 2 recovered 170 feet of clean oil and 90 feet of muddy oil. Another six feet were drilled and tested again on drill stem # 3 with fair results recovering 210 feet of clean oil and 60 feet of muddy salt water.

Logs agreed with sample evaluation recording porous but wet zones in the upper Lansing Kansas City and tight zones in the Fort Scott and Cherokee sections.

A decision was made to run production casing on the two favorable Mississippian drill stem tests. An eleven foot depth correction was made after logs, resulting in less Structure than originally thought.

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FORMATION TOPS

FORMATION	DEPTH (LOGS)
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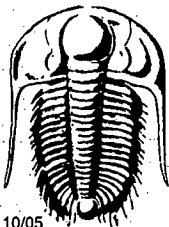
KCC

STONE CORRAL	1704(+732)
TOPEKA	
35' ZONE	
PLATTSMOUTH	
HEEBNER	3994(-1558)
TORONTO	4014(-1578)
LANSING A	4046(-1610)
SWOPE	4322(-1886)
HERTHA	4354(-1918)
BKC	4436(-2000)
MARMATON	4444(-2008)
PAWNEE	4518(-2082)
FORT SCOTT	4592(-2156)
CHEROKEE	4622(-2186)
MISSISSIPPI	4688(-2252)

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WICHITA, KS



TRILOBITE TESTING INC.

P.O. Box 362 • Hays, Kansas 67601

Brandon

31292

785-623-1407

Test Ticket

Well Name & No. Reed E #1 Test No. 1 Date 5-24-08
 Company Berexco, Inc. Zone Tested Winfield
 Address Box 20380, Wichita KS 67208 Elevation 2436 KB 2425 GL
 Co. Rep / Geo. Brian Byrnes Rig Berexco #10
 Location: Sec. 18 Twp. 22S Rge. 23W Co. Hodge man State KS
 Comment: _____ Release date / time: _____

Interval Tested 2665 - 2705 Initial Str Wt./Lbs. 35000 Unseated Str Wt./Lbs. 35000
 Anchor Length 40' Wt. Set Lbs. 25000 Wt. Pulled Loose/Lbs. 62000
 Top Packer Depth 2665 **CONFIDENTIAL** Tool Weight 1500
 Bottom Packer Depth 2665 - 2008 Hole Size 7 7/8" ✓ Rubber Size 6 3/4" ✓
 Total Depth 2705 - 25 2008 Wt. Pipe Run 0 Drill Collar Run 200
 Mud Wt. 8.8 LCM KOC Vis. 47 WL 8.8 Drill Pipe Size 3 1/2 Ft. Run 2462
 Blow Description IF: Built to 1 1/4 inch.

IS: No return.
FF: Built to 1/2 inch.
FS: No return.

Recovery - Total Feet	GIP	Ft. in DC	Ft. in DP
<u>10</u>	<u>0</u>	<u>10</u>	<u>0</u>
Rec. <u>10</u> Feet of <u>M</u>	%gas	%oil	%water <u>100</u> %mud
Rec. _____ Feet of _____	%gas	%oil	%water _____ %mud
Rec. _____ Feet of _____	%gas	%oil	%water _____ %mud
Rec. _____ Feet of _____	%gas	%oil	%water _____ %mud
Rec. _____ Feet of _____	%gas	%oil	%water _____ %mud
BHT <u>99</u> °F Gravity _____ °API D @ _____ °F Corrected Gravity _____ °API			
RW _____ @ _____ °F Chlorides _____ ppm Recovery _____ Chlorides <u>8000</u> ppm System			

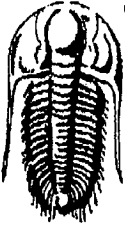
	AK-1	Alpine	Recorder No.	Test
(A) Initial Hydrostatic Mud	<u>1312</u> PSI	<u>8351</u>	<u>2666</u>	Jars <u>X</u>
(B) First Initial Flow Pressure	<u>19</u> PSI	<u>8017</u>	<u>2666</u>	Safety Jt. <u>X</u>
(C) First Final Flow Pressure	<u>21</u> PSI	<u>15</u>	<u>30</u>	Circ Sub <u>X N/C</u>
(D) Initial Shut-In Pressure	<u>757</u> PSI			Sampler _____
(E) Second Initial Flow Pressure	<u>22</u> PSI			Straddle _____
(F) Second Final Flow Pressure	<u>28</u> PSI			Ext. Packer _____
(G) Final Shut-In Pressure	<u>729</u> PSI			Shale Packer _____
(Q) Final Hydrostatic Mud	<u>1304</u> PSI			Ruined Packer _____

TRILOBITE TESTING INC. SHALL NOT BE LIABLE FOR DAMAGED OF ANY KIND OF THE PROPERTY OR PERSONNEL OF THE ONE FOR WHOM A TEST IS MADE, OR FOR ANY LOSS SUFFERED OR SUSTAINED, DIRECTLY OR INDIRECTLY, THROUGH THE USE OF ITS EQUIPMENT, OR ITS STATEMENTS OR OPINION CONCERNING THE RESULTS OF ANY TEST. TOOLS LOST OR DAMAGED IN THE HOLE SHALL BE PAID FOR AT COST BY THE PARTY FOR WHOM THE TEST IS MADE.

Approved By [Signature]
 Our Representative Brandon Dash

T-On Location 05:35 am
 T-Started 07:26 am
 T-Open 09:18 am
 T-Pulled 11:33 am
 T-Out 13:09 pm

Final Flow 30
 Final Shut-In 60
 Initial Opening 15
 Initial Shut-In 30
 Mileage 156 x 1.25 = \$195.00
 Sub Total: RECEIVED
 Std. BY KANSAS CORPORATION COMMISSION
 Acc. Chg: JUL 28 2008
 Other: _____
 Total: CONSERVATION DIVISION WICHITA, KS



**TRILOBITE
TESTING, INC.**

DRILL STEM TEST REPORT

Berexco
Box 20380
Wichita, KS 67208
ATTN: Brian Bynog

Reed E #1
18-22s-23w Hodgeman
Job Ticket: 31292 DST#: 1
Test Start: 2008.05.24 @ 07:26:35

GENERAL INFORMATION:

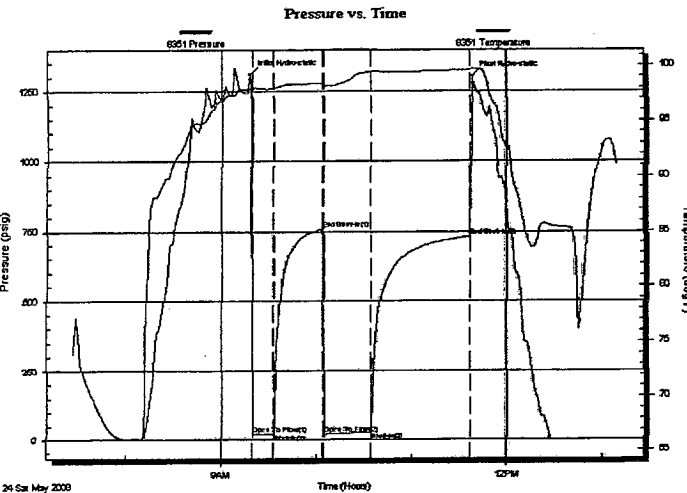
Formation: Winfield
Deviated: No Whipstock: ft (KB)
Time Tool Opened: 09:19:34
Time Test Ended: 13:09:34
Interval: 2665.00 ft (KB) To 2705.00 ft (KB) (TVD)
Total Depth: 2705.00 ft (KB) (TVD)
Hole Diameter: 7.88 inches Hole Condition: Fair

Test Type: Conventional Bottom Hole
Tester: Brandon Domsch
Unit No: 37
Reference Elevations: 2436.00 ft (KB)
2425.00 ft (CF)
KB to GR/CF: 11.00 ft

Serial #: 8351 Inside
Press@RunDepth: 28.76 psig @ 2666.00 ft (KB) Capacity: 7000.00 psig
Start Date: 2008.05.24 End Date: 2008.05.24 Last Calib.: 2008.05.24
Start Time: 07:26:35 End Time: 13:09:34 Time On Btm: 2008.05.24 @ 09:18:04
Time Off Btm: 2008.05.24 @ 11:38:34

CONFIDENTIAL

TEST COMMENT: **III 2 5 2008**
IF: Built to 1 1/4 inch.
IS: No return.
KF: Built to 1/2 inch.
FS: No return.



PRESSURE SUMMARY

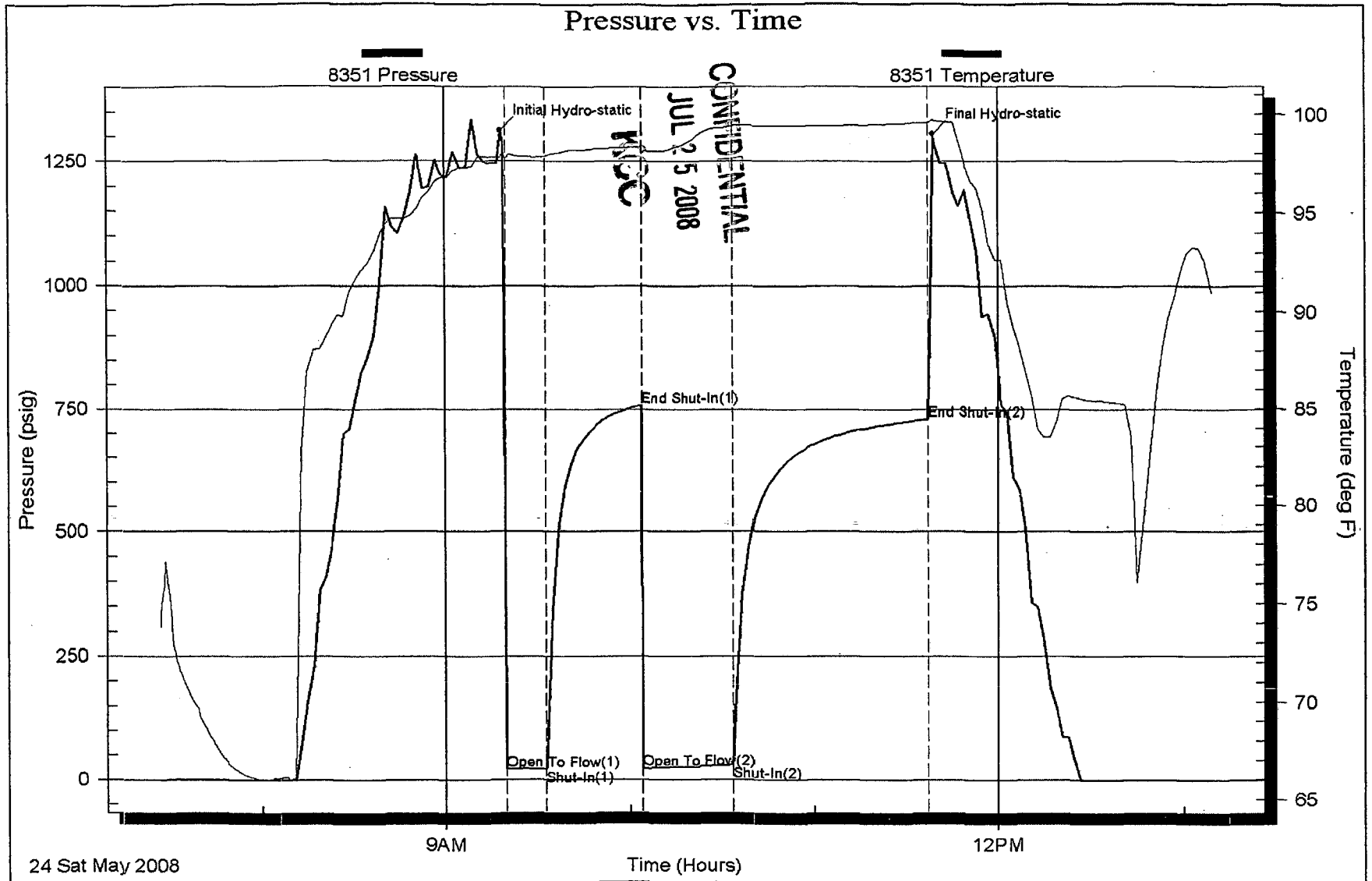
Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	1312.16	97.80	Initial Hydro-static
2	19.83	97.74	Open To Flow (1)
15	21.01	97.89	Shut-In (1)
46	757.80	98.35	End Shut-In (1)
46	22.05	98.01	Open To Flow (2)
76	28.76	99.40	Shut-In (2)
139	729.35	99.57	End Shut-In (2)
141	1304.92	99.74	Final Hydro-static

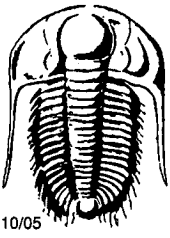
Recovery

Length (ft)	Description	Volume (bbl)
10.00	M100%m	0.05
0.00	gip 0	0.00

Gas Rates

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





TRILOBITE TESTING INC.

P.O. Box 362 • Hays, Kansas 67601

30396

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KANSAS CORPORATION COMMISSION

JUL 28 2008

Test Ticket

CONSERVATION DIVISION

Well Name & No. REED E #1 Test No. #2 Date WICHITA, KS 5-31-08
 Company PEREXCO INC. Zone Tested MISS.
 Address _____ Elevation 2436 KB 2425 GL
 Co. Rep / Geo. BRIAN BYNOG Rig BEREDCO #10
 Location: Sec. 18 Twp. 22 Rge. 23 Co. HODGEMAN State KS
 Comment: _____ Release date / time: _____

Interval Tested 4690 To 4713 Initial Str Wt./Lbs. 47,000 Unseated Str Wt./Lbs. 48,000
 Anchor Length 23 Wt. Set Lbs. 25,000 Wt. Pulled Loose/Lbs. 60,000
 Top Packer Depth 4685 Tool Weight 2,500
 Bottom Packer Depth 4690 Hole Size 7 7/8" ✓ Rubber Size 6 3/4" ✓
 Total Depth 4713 Wt. Pipe Run 0 Drill Collar Run 200
 Mud Wt. 9.15-2.5 2008 0 Vis. 64 WL 8.8 Drill Pipe Size 4" F.H. Ft. Run 4467
 Blow Description FF-WEAK TO FAIR BUILT TO 8" IN
ISI-DEAD

FF-WEAK TO STRONG B.O.B. IN 37-MIN.

FSI-

Recovery - Total Feet	<u>260</u>	GIP	<u>0</u>	Ft. in DC	<u>200</u>	Ft. in DP	<u>60</u>
Rec.	<u>90</u>	Feet of	<u>MUDDY OIL</u>	%gas	<u>50</u>	%oil	<u>50</u>
Rec.	<u>170</u>	Feet of	<u>CLEAN OIL</u>	%gas		%oil	
Rec.		Feet of		%gas		%oil	
Rec.		Feet of		%gas		%oil	
Rec.		Feet of		%gas		%oil	
BHT	<u>135</u>	'F Gravity	<u>38</u>	'API D @	<u>60</u>	'F Corrected Gravity	<u>38</u>
RW	<u>-</u>	@	<u>-</u>	'F Chlorides	<u>-</u>	ppm Recovery	<u>-</u>
				Chlorides	<u>4,000</u>	ppm System	

	AK-1	Alpine	Recorder No.	Test
(A) Initial Hydrostatic Mud		<u>2416</u> PSI	<u>8369</u>	✓
(B) First Initial Flow Pressure		<u>16</u> PSI	(depth) <u>4691</u>	Jars ✓
(C) First Final Flow Pressure		<u>59</u> PSI	Recorder No. <u>6669</u>	Safety Jt. ✓
(D) Initial Shut-In Pressure		<u>1421</u> PSI	(depth) <u>4691</u>	Circ Sub _____
(E) Second Initial Flow Pressure		<u>65</u> PSI	Recorder No. _____	Sampler _____
(F) Second Final Flow Pressure		<u>117</u> PSI	(depth) _____	Straddle _____
(G) Final Shut-In Pressure		<u>1398</u> PSI	Initial Opening <u>30</u>	Ext. Packer _____
(Q) Final Hydrostatic Mud		<u>2386</u> PSI	Initial Shut-In <u>60</u>	Shale Packer _____
			Final Flow <u>60</u>	Ruined Packer _____
			Final Shut-In <u>90</u>	Mileage <u>RT-170</u>
			T-On Location <u>13:45</u>	Sub Total: _____
			T-Started <u>16:25</u>	Std. By _____
			T-Open <u>18:25</u>	Acc. Chg: _____
			T-Pulled <u>22:30</u>	Other: _____
			T-Out <u>02:20</u>	Total: _____

TRILOBITE TESTING INC. SHALL NOT BE LIABLE FOR DAMAGED OF ANY KIND OF THE PROPERTY OR PERSONNEL OF THE ONE FOR WHOM A TEST IS MADE, OR FOR ANY LOSS SUFFERED OR SUSTAINED, DIRECTLY OR INDIRECTLY, THROUGH THE USE OF ITS EQUIPMENT, OR ITS STATEMENTS OR OPINION CONCERNING THE RESULTS OF ANY TEST. TOOLS LOST OR DAMAGED IN THE HOLE SHALL BE PAID FOR AT COST BY THE PARTY FOR WHOM THE TEST IS MADE.

Approved By [Signature]
Our Representative John J. Schmidt



TRILOBITE TESTING, INC.

DRILL STEM TEST REPORT

Berexco Inc
 PO Box 20380
 Wichita KS 67208
 ATTN: Brian Bynog

Reed E # 1
18 22 23 Hodgeman KS
 Job Ticket: 30396 **DST#: 2**
 Test Start: 2008.05.31 @ 16:25:53

GENERAL INFORMATION:

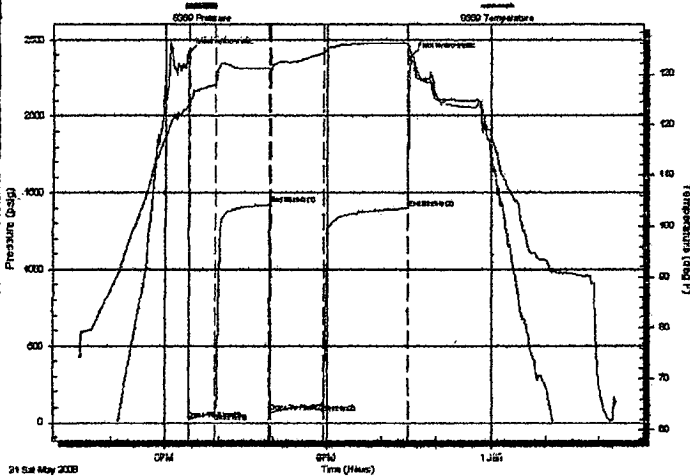
Formation: **Miss.**
 Deviated: **No Whipstock** ft (KB)
 Test Type: **Conventional Bottom Hole**
 Time Tool Opened: **18:26:23**
 Tester: **John schmidt**
 Time Test Ended: **02:20:53**
 Unit No: **31**
 Interval: **4690.00 ft (KB) To 4713.00 ft (KB) (TVD)**
 Reference Elevations: **2436.00 ft (KB)**
 Total Depth: **4713.00 ft (KB) (TVD)**
2425.00 ft (CF)
 Hole Diameter: **7.88 inches** Hole Condition: **Fair**
 KB to GR/CF: **11.00 ft**

Serial #: 8369 **Inside**
 Press@RunDepth: **117.83 psig @ 4691.00 ft (KB)** Capacity: **7000.00 psig**
 Start Date: **2008.05.31** End Date: **2008.06.01** Last Calib.: **2008.06.01**
 Start Time: **16:25:53** End Time: **02:20:53** Time On Btm: **2008.05.31 @ 18:25:53**
 Time Off Btm: **2008.05.31 @ 22:30:53**

CONFIDENTIAL
 TEST COMMENT: **Weak to fair built to 8" in.**
JUL 25 **ISI-Dead**
Weak to strong B.O.B. in 37 min.
FSI-Dead

KCC

Pressure vs. Time



PRESSURE SUMMARY

Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	2416.79	124.14	Initial Hydro-static
1	16.73	123.12	Open To Flow (1)
30	59.63	127.80	Shut-in(1)
90	1421.46	130.99	End Shut-in(1)
91	65.52	130.49	Open To Flow (2)
150	117.83	134.01	Shut-in(2)
242	1398.42	135.98	End Shut-in(2)
245	2386.33	133.95	Final Hydro-static

Recovery

Length (ft)	Description	Volume (bbl)
90.00	muddy oil-50%M-50%oil	0.44
170.00	Clean oil	1.19

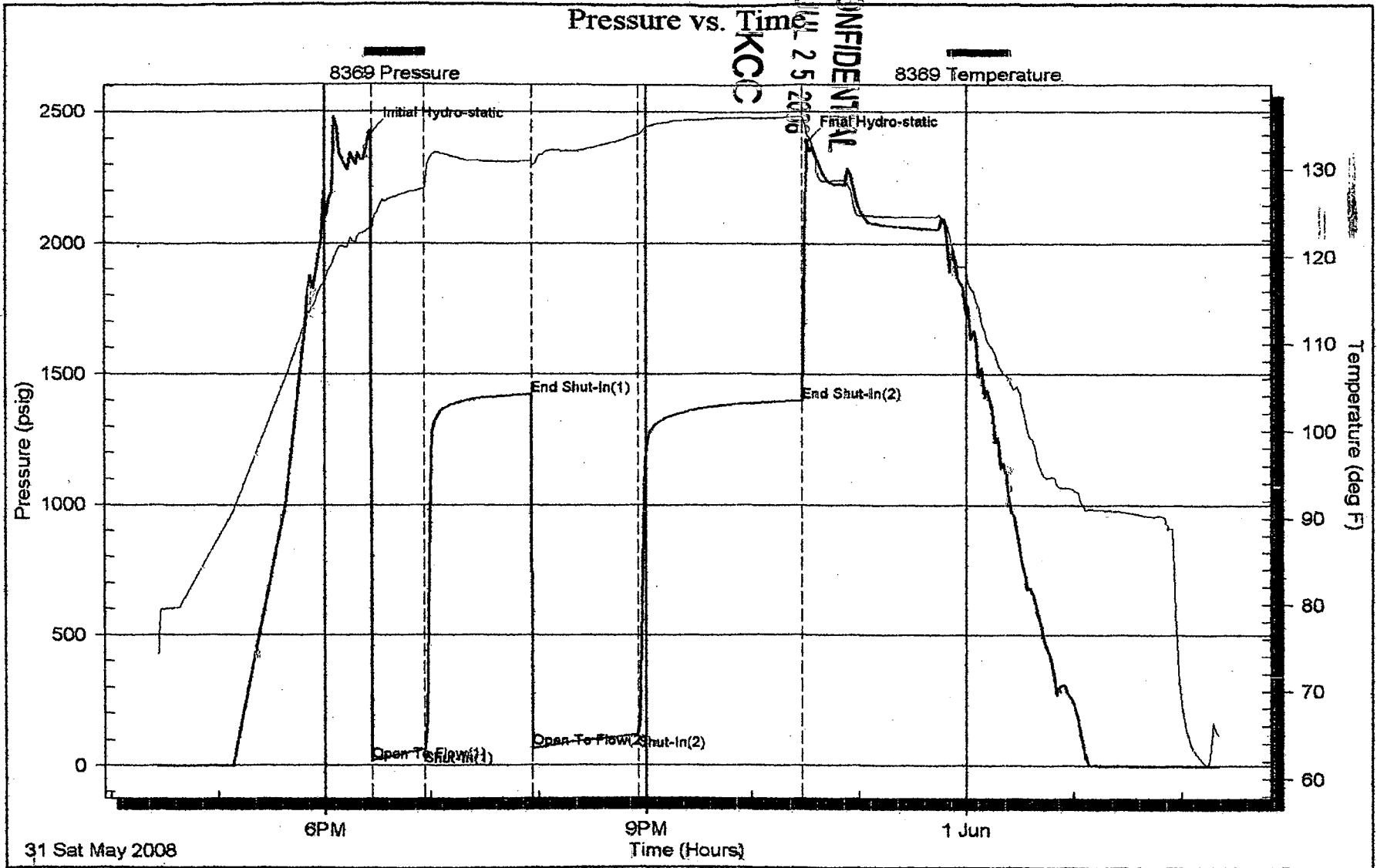
Gas Rates

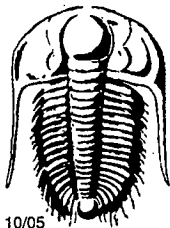
Choke (inches)	Pressure (psig)	Gas Rate (Mcf/d)

RECEIVED
 KANSAS CORPORATION COMMISSION

JUL 28 2008

CONSERVATION DIVISION
 WICHITA, KS





TRILOBITE TESTING INC.

30397

P.O. Box 362 • Hays, Kansas 67601

Test Ticket

Well Name & No. REED E #1 Test No. #3 Date 6-1-08
 Company BEREXCO INC. Zone Tested MISS.
 Address _____ Elevation 2436 KB 2425 GL
 Co. Rep / Geo. BRIAN BYNOG Rig BEREDCO #10
 Location: Sec. 18 Twp. 22 Rge. 23 Co. HODGEMAN State KS
 Comment: _____ Release date / time: _____

Interval Tested 4713 TO 4719 Initial Str Wt./Lbs. 47,000 Unseated Str Wt./Lbs. 48,000
 Anchor Length 6 Wt. Set Lbs. 25,000 Wt. Pulled Loose/Lbs. 50,000
 Top Packer Depth 4708 Tool Weight 2,500
 Bottom Packer Depth 4713 Hole Size 7 7/8" Rubber Size 6 3/4"
 Total Depth 4719 Wt. Pipe Run 0 Drill Collar Run ~~206~~ 143
 Mud Wt. _____ LCM _____ Vis. _____ WL _____ Drill Pipe Size 4" FH Ft. Run 4558

CONFIDENTIAL

Blow Description FF - WEAK TO FAIR BUILT TO 8" IN.
1ST - VERY WEAK SURFACE
RCC FF - WEAK TO STRONG B.O.B. IN 38' MIN
FSI - WEAK SURFACE

Recovery - Total Feet	GIP	Ft. in DC	Ft. in DP
<u>270</u>	<u>0</u>	<u>143'</u>	<u>127</u>
Rec. <u>60</u> Feet of <u>MSW</u>	%gas	%oil	<u>90%</u> water <u>10%</u> mud
Rec. <u>210</u> Feet of <u>CLEAN OIL</u>	%gas	%oil	%water %mud
Rec. _____ Feet of _____	%gas	%oil	%water %mud
Rec. _____ Feet of _____	%gas	%oil	%water %mud
Rec. _____ Feet of _____	%gas	%oil	%water %mud
BHT <u>140</u> °F Gravity <u>38</u> °API D @ <u>60</u> °F Corrected Gravity <u>38</u> °API			
RW <u>.27</u> @ <u>65</u> °F Chlorides <u>27,000</u> ppm Recovery _____ Chlorides _____ ppm System			

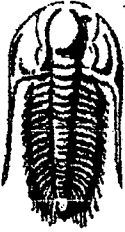
	AK-1	Alpine	Recorder No.	Test
(A) Initial Hydrostatic Mud	<u>2428</u> PSI	<u>2428</u> PSI	<u>8369</u>	<input checked="" type="checkbox"/>
(B) First Initial Flow Pressure	<u>17</u> PSI	<u>17</u> PSI	<u>4720</u>	Jars <input checked="" type="checkbox"/>
(C) First Final Flow Pressure	<u>58</u> PSI	<u>58</u> PSI	<u>6669</u>	Safety Jt. <input checked="" type="checkbox"/>
(D) Initial Shut-In Pressure	<u>1414</u> PSI	<u>1414</u> PSI	<u>4720</u>	Circ Sub _____
(E) Second Initial Flow Pressure	<u>61</u> PSI	<u>61</u> PSI		Sampler _____
(F) Second Final Flow Pressure	<u>111</u> PSI	<u>111</u> PSI		Straddle _____
(G) Final Shut-In Pressure	<u>1395</u> PSI	<u>1395</u> PSI	Initial Opening <u>30</u>	Ext. Packer _____
(Q) Final Hydrostatic Mud	<u>2391</u> PSI	<u>2391</u> PSI	Initial Shut-In <u>60</u>	Shale Packer _____
			Final Flow <u>60</u>	Ruined Packer _____
			Final Shut-In <u>90</u>	Mileage <input checked="" type="checkbox"/>

TRILOBITE TESTING INC. SHALL NOT BE LIABLE FOR DAMAGED OF ANY KIND OF THE PROPERTY OR PERSONNEL OF THE ONE FOR WHOM A TEST IS MADE, OR FOR ANY LOSS SUFFERED OR SUSTAINED, DIRECTLY OR INDIRECTLY, THROUGH THE USE OF ITS EQUIPMENT, OR ITS STATEMENTS OR OPINION CONCERNING THE RESULTS OF ANY TEST. TOOLS LOST OR DAMAGED IN THE HOLE SHALL BE PAID FOR AT COST BY THE PARTY FOR WHOM THE TEST IS MADE.

Approved By [Signature]
 Our Representative [Signature]

T-On Location 12:00
 T-Started 13:10
 T-Open 15:17
 T-Pulled 19:20
 T-Out 23:05

Sub Total: RECEIVED
 SKANSAS CORPORATION COMMISSION
 Acc. Chg: JUL 28 2008
 Other: _____
 Total: CONSERVATION DIVISION WICHITA, KS



TRILOBITE TESTING, INC.

DRILL STEM TEST REPORT

Berexco Inc
 PO Box 20380
 Wichita KS 67208
 ATTN: Brian Bynog

Reed E # 1
18 22 23 Hodgeman KS
 Job Ticket: 30397 **DST#: 3**
 Test Start: 2008.06.01 @ 13:10:24

GENERAL INFORMATION:

Formation: **Miss.**
 Deviated: **No Whipstock** ft (KB)
 Test Type: **Conventional Bottom Hole**
 Time Tool Opened: **15:17:54**
 Tester: **John Schmidt**
 Time Test Ended: **23:05:54**
 Unit No: **31**
 Interval: **4713.00 ft (KB) To 4719.00 ft (KB) (TVD)**
 Reference Elevations: **2436.00 ft (KB)**
 Total Depth: **4719.00 ft (KB) (TVD)**
2425.00 ft (CF)
 Hole Diameter: **7.88 inches** Hole Condition: **Fair**
 KB to GR/CF: **11.00 ft**

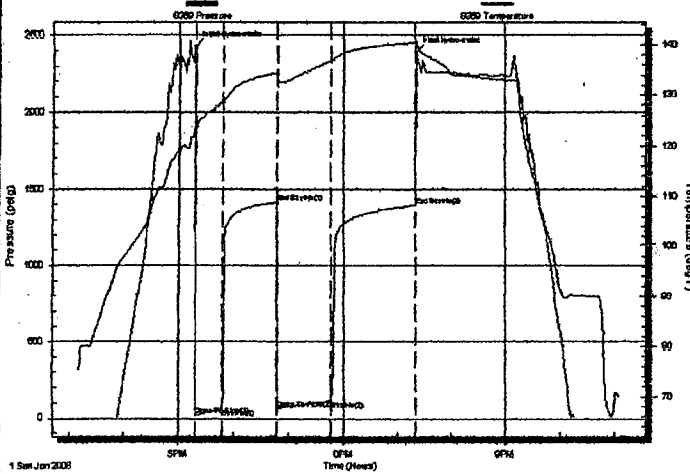
Serial #: 8369 **Inside**
 Press@RunDepth: **111.62 psig @ 4714.00 ft (KB)** Capacity: **7000.00 psig**
 Start Date: **2008.06.01** End Date: **2008.06.01** Last Calib.: **2008.06.01**
 Start Time: **13:10:24** End Time: **23:05:54** Time On Btrn: **2008.06.01 @ 15:17:24**
 Time Off Btrn: **2008.06.01 @ 19:20:54**

CONFIDENTIAL

TEST COMMENT: F-Weak to fair built to 8" in.
 SI-Very weak surface.
 FF-Weak to strong B.O.B. in 38 min.
 FSI-Weak surface
KCC

JUL 25 2008

Pressure vs. Time



PRESSURE SUMMARY

Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	2428.31	123.38	Initial Hydro-static
1	17.48	122.90	Open To Flow (1)
30	58.60	128.46	Shut-in(1)
89	1414.06	134.44	End Shut-in(1)
90	61.42	133.45	Open To Flow (2)
150	111.62	136.85	Shut-in(2)
243	1395.08	140.34	End Shut-in(2)
244	2391.50	140.78	Final Hydro-static

Recovery

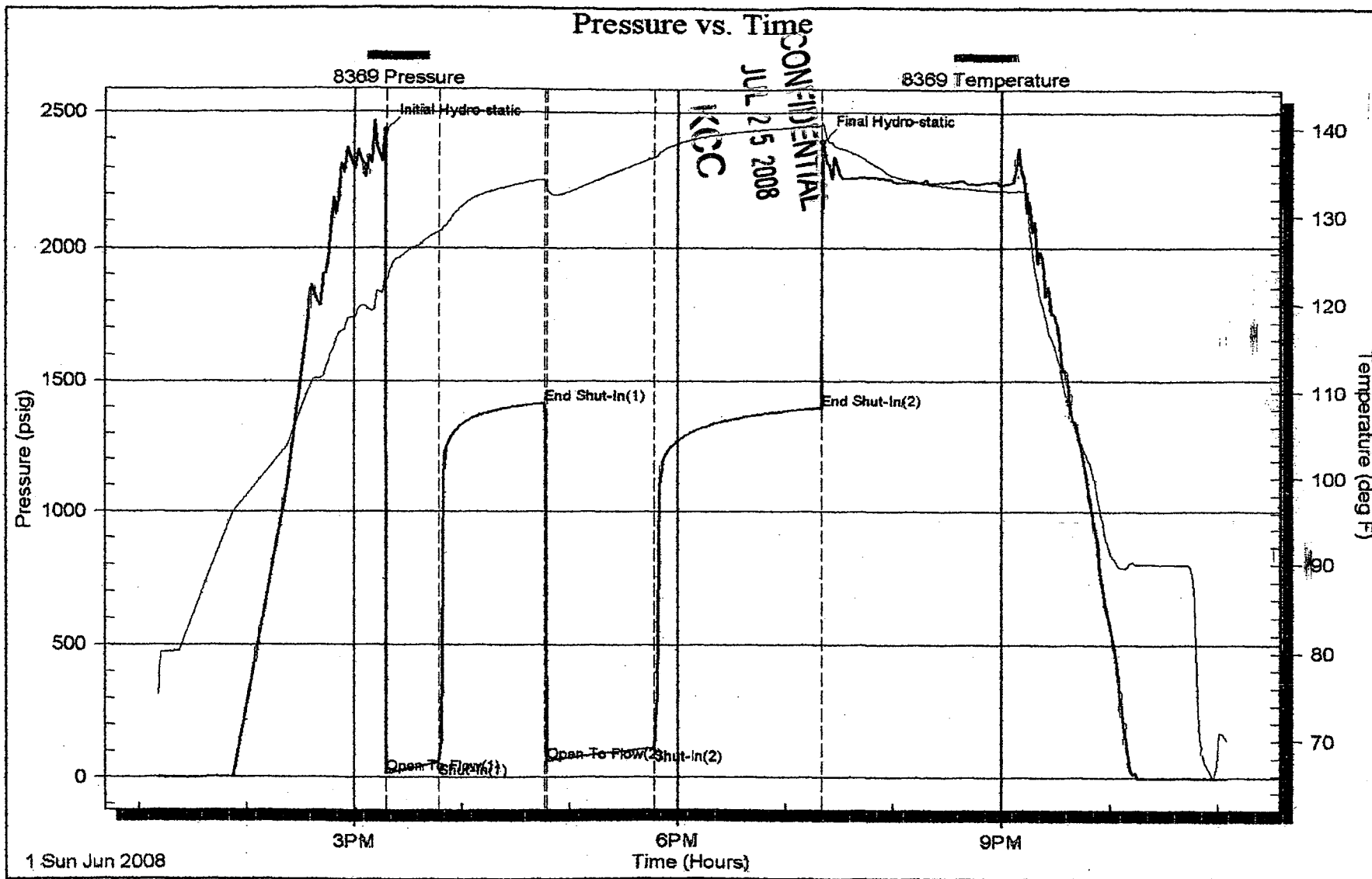
Length (ft)	Description	Volume (bbl)
60.00	MSW-10%M-90%W	0.30
210.00	Clean oil	1.78

Gas Rates

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

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LITHOLOGY

KEIDER

- 2600-90 Dolomite gray, hard, microcrystalline, poor porosity
2690-2700 Dolomite white, pale gray, firm, microsucrosic, poor to fair porosity
2700-25 Shale gray, firm, argillaceous

TOWANDA

- 2725-80 Dolomite gray, hard, fossiliferous, poor porosity
2780-90 Dolomite gray, firm, microcrystalline, fair porosity
2790-35 Dolomite gray, hard, dense
2735-2930 Limestone gray, hard, fossiliferous, poor porosity
2930-3000 Limestone gray, hard, dense, abundant Chert white
3000-50 Limestone white, very hard, dense, chalky
3050-70 Limestone white, firm, fossiliferous, very chalky, fair vuggy porosity
3070-3100 Limestone buff, hard, dense
3100-15 Shale red, soft, very argillaceous
3115-40 Limestone white, firm, very chalky
3140-60 Limestone buff, firm, very fossiliferous, chalky, fair porosity
3160-85 Limestone gray, hard, dense
3185-3200 Shale gray, green, soft
3200-50 Limestone gray, hard, dense
3200-60 Limestone gray, firm, fossiliferous, chalky

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JUL 28 2008

CONSERVATION DIVISION
WICHITA, KS

3260-90 Limestone white, firm, chalky, fossiliferous

3290-3450 Shale gray, green, soft, silty

3450-80 Limestone tan, hard, dense

3480-3500 Shale gray, green, black, firm, fissile

3500-70 Limestone buff to tan, very hard, dense

3570-3620 Limestone gray brown, very hard, dense

3620-70 Limestone cream, hard, microcrystalline

3670-3700 Limestone cream, white, firms, chalky

3700-25 Limestone gray, tan, very hard, dense

3725-70 Limestone gray brown, buff, hard, dense

3770-80 Limestone buff, firm, fossiliferous, fair vuggy porosity

3780-3825 Limestone cream, tan, very hard, dense

3825-40 Limestone cream, firm, chalky, fossiliferous, fair porosity

3840-60 Limestone tan, very hard, dense

3860-3950 Limestone buff, firm, fossiliferous, granular, fair porosity

3950-70 Limestone buff, tan, very hard, dense, some pyrite

3970-80 Limestone buff, firm, chalky, fair porosity

3980-90 Shale green, firm, silty

HEEBNER

3990-95 Shale black, firm, carbonaceous

3995-4002 Shale green, soft

TORONTO

4002-20 Limestone cream, buff, firm, microcrystalline, chalky, fair porosity

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JUL 28 2008

CONSERVATION DIVISION
WICHITA, KS

4020-50 Shale green, firm

LANSING

4050-65 Limestone tan, very hard, dense

4065-75 Limestone white, firm, fossiliferous, fair porosity

4075-4120 Limestone white, firm, fossiliferous, fair porosity

4120-65 Limestone buff, very hard, dense, abundant Chert white

4165-4200 Limestone white, firm, chalky, fair porosity

4200-10 Limestone gray, tan, very hard, abundant Chert white, tan

4210-20 Shale black, firm, carbonaceous

~~CONFIDENTIAL~~ 4220-30 Shale gray, green, firm

JUL 25 2008
4230-75 Limestone as above

KCC
4275-4300 Limestone buff, firm, oolitic, fair porosity

4300-20 Shale as above

SWOPE

4320-45 Limestone buff, hard, chalky, crystalline

4345-50 Shale black, firm, carbonaceous

HERTHA

4350-80 Limestone buff, hard, microcrystalline, sandy, chalky, tight

4380-4425 Limestone buff, very hard, dense

4425-30 Shale gray, green, firm

4430-50 Limestone buff, hard, dense

4450-70 Shale gray, green, red, soft-firm

4470-4500 Limestone white, buff, hard, microcrystalline, tight

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JUL 28 2008
CONSERVATION DIVISION
WICHITA, KS

- 4500-40 Shale/Limestone as above
4540-80 Limestone cream, very hard, dense
4580-85 Shale black, firm, carbonaceous

FT. SCOTT

- 4585-4610 Limestone buff, tan, very hard, dense with thin Shale as above

CHEROKEE

- 4610-15 Shale black, firm, carbonaceous
4615-30 Limestone & Shale as above
4630-35 Shale gray, green, firm,
4635-60 Limestone buff, hard, dense trace sand
4660-75 Shale purple, green, yellow, firm
4675-90 Limestone buff, very hard, dense abundant Chert white

MISSISSIPPI

- 4690-4700 Limestone/Dolomite white, hard, dense, scattered poor vuggy porosity, spotty stain, fair cut & odor
4700-10 Dolomite buff, hard, microcrystalline, poor to fair vuggy porosity, spotty to even stain, good cut & odor, show free oil
4710-19 Dolomite buff, firm, microsucrosic, fair intercrystalline, fair to good vuggy porosity, spotty to even stain, good cut & odor, good show free oil, abundant Chert white

CONFIDENTIAL
JUL 25 2008

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RECEIVED
KANSAS CORPORATION COMMISSION
JUL 28 2008
CONSERVATION DIVISION
WICHITA, KS

Mud-Co / Service Mud, Inc.

100 S. Main St., Suite #310, Wichita, Ks. 67202

Report: **3**

Daily Drilling Mud Report

Date: **05/23/08** Depth: **2442**

Operator Berexco, Inc.		Contractor Beredco Drilling Co.		Rig No. 10	
Address Rig		Address Rig		Spud Date 05/21/08	
Report for Mr. Jeremy Ensz		Report for Mr. Marvin Julian		Section 18	Twp 22S
Well Name & No. Reed "E" #1		County Hodgeman		Range 23W	
		State Kansas			

Operation		Casing		Mud Volume (BBL)		Circulation Data			
Present Activity Drilling		8 5/8 in. at	278	Hole 177	Pits 400	Liner Size 6	Stroke 14	Opposite Drill Pipe 203	Pump Pressure 800
Bit Size (in.) 7 7/8	No 1	Intermediate in. at		Total Circulating Vol. 577		Est. Hole/DC capacities 0		Opposite Drill Collars 369	Pump Make G-D
Drill pipe sz 4 1/2	Type XH	Production / Liner in. at		Volume in Storage		BBL/ Strk 0.137	Strk / Min. 60	Bottoms Up (Min.) 22	Pump Model FXH
Drill Collar size 6 1/4	Drilling mud type Chemical			BBL./Min. 8.2	GAL/Min. 345	System Total (Min) 70		Critical GPM DC/DP 351 480	

Sample from Flowline ___ or Pit ___	Daily Mud Cost 3,121.96	Cumulative Mud Cost 3,890.01
Flowline Temperature	Mud Properties	

Time Sample Taken	1:15pm
Depth (Ft.)	2,442
Weight (lb/gal.)	8.6
Mud Gradient (psi/ft.)	0.447
Funnel Viscosity (Sec/qt. API)	54
Plastic Viscosity cp	20
Yield Point (lb/100 sq.ft.)	22
Gel Strength 10 sec/10 min.	17/55
pH	11.0
Filtrate API (ml/30 min.)	8.8
Cake Thickness 32nd	1
Alkalinity, Mud (Pm)	
Alkalinity, Filtrate (Pf/Mf)	.7
Chloride Content, ppm	8,000
Calcium, ppm	40
Sand Content (% by Vol)	trc
Solids Content (% by Vol.)	1.7
Oil Content (% by Vol.)	
Water Content (% by Vol.)	98.3
LCM, lbs/bbl.	0
Reynold's #DP	1,245
Reynold's # DC	1,953
ECD lb/gal	

MUD PROPERTIES SPECIFICATIONS			
Mud Wt. (lbs/gal.) 9.0-9.4	Viscosity 44-48	Filtrate 10-12cc	LCM As needed.

Suggest....

Water-Small stream at sample box while drilling

Vis44-48sec/qt with this premix
Gel in pitmud premix

If no shallow Dst hit system with this premix
100bbl water
2-soda ash
1-caustic
1-lignite
1/2sx Pac
gel for vis

Tourly at chemical bbl:1caustic and 1lignite>1 1/2hrs

LCM as needed

Frac Mud to Displace again at 3700'
100 bbls fresh water
1 Soda Ash
1 Caustic
1 Lignite
1/4 sx Pac
45 sx Premium Gel

Thank you

DRILLING MUD INVENTORY					
Products:	Prior Day	Delivery	On Hand	Used	Cost
Premium Gel	519		224	295	1,902.75
Lime	6		3	3	24.75
Soda Ash	27		20	7	133.70
Caustic Soda	19		13	6	303.06
Lignite	15		8	7	147.70
C/S Hulls	100		100		
Drill Pak	6		4	2	610.00
Desco	2		2		
Poly Plus	2		2		
Florigel					
Xcide					
Sapp					
Barite					
MIIGuard					

Mud-Co / Service Mud Representative Jody Dietz	Home Address Coldwater, Ks.	Telephone Number 620-770-0607
Cell: 620-770-0607	Warehouse Location Pratt, Ks.	Telephone Number 620-672-2957

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Mud-Co / Service Mud, Inc.

100 S. Main St., Suite #310, Wichita, Ks. 67202

Report: 4

Daily Drilling Mud Report

Date: **05/24/08** Depth: **2705**

Operator Berexco, Inc.		Contractor Beredco Drilling Co.		Rig No. 10	
Address Rig		Address Rig		Spud Date 05/21/08	
Report for Mr. Jeremy Ensz		Report for Mr. Marvin Julian		Section Twp Range 18 22S 23W	
Well Name & No. Reed "E" #1		County Hodgeman		State Kansas	

Operation		Casing		Mud Volume (BBL)		Circulation Data			
Present Activity				Hole	Pits	Liner Size	Stroke	Opposite Drill Pipe	Pump Pressure
TIH w/Dst 1		8 5/8 in. at 278		195	400	6	14	203	-
Bit Size (in.)	No	Intermediate in. at		Total Circulating Vol.		Est. Hole/DS capacities		Opposite Drill Collars	Pump Make
7 7/8	1			595		0		369	G-D
Drill pipe sz	Type	Production / Liner in. at		Volume in Storage		BBL/ Strk	Strk / Min.	Bottoms Up (Min.)	Pump Model
4 1/2	XH			Volume		0.137	60	24	FXH
Drill Collar size	Drilling mud type			BBL/Min.	GAL/Min.	System Total (Min)		Critical GPM DC/DP	
6 1/4	Chemical			8.2	345	72		303	428

Sample from Flowline <input type="checkbox"/> or Pit <input type="checkbox"/>	Daily Mud Cost	Cumulative Mud Cost
Flowline Temperature	1,181.92	5,071.93

MUD PROPERTIES SPECIFICATIONS	
Mud Wt. (lbs/gal.)	Viscosity
9.0-9.4	44-48
Filtrate	LCM
10-12cc	As Needed

Suggest:

After Dst 1 hit system with this premix
 100bbl water
 10sx soda ash
 2-caustic
 2-lignite
 1 1/2sx Pac gel for vis

Jet hole and add to working system thru pump over 1 1/2hrs

Control mud wt. 9.0-9.4 with water at sample box

Vis 44-48sec/qt with this premix
 100bbl water
 2-soda ash
 1-caustic
 1-lignite
 1/2sx Pac gel for vis

Jet and add this premix every 10hrs while drilling adding to system over 1 1/2hrs

DRILLING MUD INVENTORY					
Products:	Prior Day	Delivery	On Hand	Used	Cost
Premium Gel	224		140	84	541.80
Lime	3		3		
Soda Ash	20		15	5	95.50
Caustic Soda	13		11	2	101.02
Lignite	8		7	1	21.10
C/S Hulls	100		90	10	117.50
Drill Pak	4		3	1	305.00
Desco	2		2		
Poly Plus	2		2		
Florigel					
Xclde					
Sapp					
Barite					
MilGuard					

Frac mud to Displace again at 3700'
 100bbl water
 1-soda ash
 1-caustic
 1-lignite
 1/4sx Pac
 45sx gel

Thank you

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Mud-Co / Service Mud Representative Jason Whiting	Home Address Great Bend, Kansas	Telephone Number 620-792-4544
Cell: 620-282-0556	Warehouse Location Pratt, Ks.	Telephone Number 620-672-2957

Mud-Co / Service Mud, Inc.

100 S. Main St., Suite #310, Wichita, Ks. 67202

Report: **5**

Daily Drilling Mud Report

Date: **05/25/08** Depth: **3026**

Operator Berexco, Inc.	Contractor Beredco Drilling Co.	Rig No. 10
Address Rig	Address Rig	Spud Date 05/21/08
Report for Mr. Jeremy Ensz	Report for Mr. Marvin Julian	Section 18 Twp 22S Range 23W
Well Name & No. Reed "E" #1	County Hodgeman	State Kansas

Operation	Casing	Mud Volume (BBL)	Circulation Data			
Present Activity		Hole Pits	Liner Size	Stroke	Opposite Drill Pipe	Pump Pressure
Drilling	8 5/8 in. at 278	218 400	6	14	203	-
Bit Size (in.) 7 7/8 No 2	Intermediate in. at	Total Circulating Vol. 618	Est. Hole/DS capacities		Opposite Drill Collars 369	Pump Make G-D
Drill pipe sz 4 1/2 Type XH	Production / Liner in. at	Volume in Storage Volume	BBL/ Strk 0.137	Strk / Min. 60	Bottoms Up (Min.) 27	Pump Model FXH
Drill Collar size 6 1/4	Drilling mud type Chemical		BBL/Min. 8.2	GAL/Min. 345	System Total (Min) 75	Critical GPM DC/DP 291 415

Sample from Flowline ___ or Pit ___	Daily Mud Cost 1,800.79	Cumulative Mud Cost 6,872.72
Flowline Temperature	Mud Properties	

Time Sample Taken	8:15 AM
Depth (Ft.)	3,026
Weight (lb/gal.)	9.2
Mud Gradient (psi/ft.)	0.478
Funnel Viscosity (Sec/qt. API)	48
Plastic Viscosity cp	14
Yield Point (lb/100 sq.ft.)	20
Gel Strength 10 sec/10 min.	16/40
pH	9.0
Filtrate API (ml/30 min.)	22.8
Cake Thickness 32nd	3
Alkalinity, Mud (Pm)	
Alkalinity, Filtrate (Pf/Mf)	.1
Chloride Content, ppm	16,500
Calcium, ppm	680
Sand Content (% by Vol)	trc
Solids Content (% by Vol.)	5.5
Oil Content (% by Vol.)	
Water Content (% by Vol.)	94.5
LCM, lbs/bbl.	0
Reynold's #DP	1,517
Reynold's # DC	2,591
ECD lb/gal	

MUD PROPERTIES SPECIFICATIONS			
Mud Wt. (lbs/gal.)	Viscosity	Filtrate	LCM
9.0-9.4	44-48	12-15cc	As Needed

Suggest:

Control mud wt. 9.0-9.4 with water at sample box

Vis 44-48sec/qt with this premix
100bbl water
2-soda ash
1-caustic
1-lignite
1/2sx Pac gel for vis
Jet and add this premix every 10hrs while drilling adding to system over 1 1/2hrs

Frac mud to Displace again at 3700'

100bbl water
1-soda ash
1-caustic
1-lignite
1/4sx Pac
45sx gel

If Operator decides to test shallow again have this premix ready to spot:

100bbl water
2-soda ash
1-caustic
1-lignite
3/4sx Pac gel for vis

DRILLING MUD INVENTORY					
Products:	Prior Day	Delivery	On Hand	Used	Cost
Premium Gel	140	350	341	149	961.05
Lime	3		3		
Soda Ash	15		2	13	248.30
Caustic Soda	11		7	4	202.04
Lignite	7		3	4	84.40
C/S Hulls	90		90		
Drill Pak	3		2	1	305.00
Desco	2		2		
Poly Plus	2		2		
Florigel					
Xcide					
Sapp					
Barite					
MilGuard					

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Mud-Co / Service Mud Representative Jason Whiting	Home Address Great Bend, Kansas	Telephone Number 620-792-4544
Cell: 620-282-0556	Warehouse Location Pratt, Ks.	Telephone Number 620-672-2957

Mud-Co / Service Mud, Inc.

100 S. Main St., Suite #310, Wichita, Ks. 67202

Report: **6**

Daily Drilling Mud Report

Date: **05/26/08** Depth: **3638**

Operator Berexco, Inc.	Contractor Beredco Drilling Co.	Rig No. 10
Address Rig	Address Rig	Spud Date 05/21/08
Report for Mr. Jeremy Ensz	Report for Mr. Marvin Julian	Section 18 Twp 22S Range 23W
Well Name & No. Reed "E" #1	County Hodgeman	State Kansas

Operation		Casing		Mud Volume (BBL)		Circulation Data			
Present Activity				Hole	Pits	Liner Size	Stroke	Opposite Drill Pipe	Pump Pressure
Drilling		8 5/8 in. at 278		263	400	6	14	203	800
Bit Size (in.) 7 7/8	No 1	Intermediate in. at		Total Circulating Vol. 663		Est.Hole/DS capacities 0		Opposite Drill Collars 369	Pump Make G-D
Drill pipe sz 4 1/2	Type XH	Production / Liner in. at		Volume in Storage Volume		BBI/ Strk 0.137	Strk / Min. 60	Bottoms Up (Min.) 32	Pump Model FXH
Drill Collar size 6 1/4	Drilling mud type Chemical			BBL/Min. 8.2	GAL/Min. 345	System Total (Min) 81		Critical GPM DC/DP 322 445	

Sample from Flowline ___ or Pit ___	Daily Mud Cost 3,210.88	Cumulative Mud Cost 10,083.60
Flowline Temperature	Mud Properties	

Time Sample Taken	1:30pm
Depth (Ft.)	3,638
Weight (lb/gal.)	8.6
Mud Gradient (psi/ft.)	0.447
Funnel Viscosity (Sec/qt. API)	54
Plastic Viscosity cp	17
Yield Point (lb/100 sq.ft.)	20L
Gel Strength 10 sec/10 min.	18/56
pH	11.0
Filtrate API (ml/30 min.)	8.8
Cake Thickness 32nd	1
Alkalinity, Mud (Pm)	
Alkalinity, Filtrate (Pf/Mf)	.7
Chloride Content, ppm	5,500
Calcium, ppm	40
Sand Content (% by Vol)	trc
Solids Content (% by Vol.)	2.7
Oil Content (% by Vol.)	
Water Content (% by Vol.)	97.3
LCM, lbs/bbl.	0
Reynold's #DP	1,384
Reynold's # DC	2,219
ECD lb/gal	

MUD PROPERTIES SPECIFICATIONS			
Mud Wt. (lbs/gal.)	Viscosity	Filtrate	LCM
9.0-9.4	42-45	10-12cc	As Needed

Suggest:

Control mud wt. 9.0-9.4#/gal with water at sample box

Vis 42-45sec/qt with gel in pitmud premix
When mud wt. reaches 9.3 Hit system with
100bbl water

1-soda ash
1-caustic Jet hole and add over 1 1/2hrs
1-lignite
1/2sx Pac
gel for vis

LCM as needed

Tourly at chemical bbl: 1caustic and 1lignite>Add 2hrs
Start with Morning Tour

Cir hole clean prior to Dst

Keep hole full on trips

DRILLING MUD INVENTORY					
Products:	Prior Day	Delivery	On Hand	Used	Cost
Premium Gel	341		47	294	1,896.30
Lime	3		3		
Soda Ash	2	8	2	8	152.80
Caustic Soda	7	8	7	8	404.08
Lignite	3	8	4	7	147.70
C/S Hulls	90		90		
Drill Pak	2	3	3	2	610.00
Desco	2		2		
Poly Plus	2		2		
Florigel					
Xcide					
Sapp					
Barite					
MiIGuard					

Mud-Co / Service Mud Representative Jody Dietz	Home Address Coldwater, Ks.	Telephone Number 620-582-2483
Cell: 620-770-0607	Warehouse Location Pratt, Ks.	Telephone Number 620-672-2957

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Mud-Co / Service Mud. Inc.

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Report: 7

Daily Drilling Mud Report

Date: **05/27/08** Depth: **3852**

Operator Berexco, Inc.	Contractor Beredco Drilling Co.	Rig No. 10
Address Rig	Address Rig	Spud Date 05/21/08
Report for Mr. Jeremy Ensz	Report for Mr. Marvin Julian	Section 18 Twp 22S Range 23W
Well Name & No. Reed "E" #1	County Hodgeman	State Kansas

Operation Fish f/cones	Casing 8 5/8 in. at 278	Mud Volume (BBL) Hole 327 Pits 400	Liner Size 6 Stroke 14	Circulation Data Opposite Drill Pipe 203	Pump Pressure -
Bit Size (in.) 7 7/8 No. No.	Intermediate in. at	Total Circulating Vol. 727	Est. Hole/DS capacities 8.5 2.43	Opposite Drill Collars 369	Pump Make G-D
Drill pipe sz 4 1/2 Type XH	Production / Liner in. at	Volume in Storage Volume	BBL/Strk 0.137 Strk / Min. 60	Bottoms Up (Min.) 33	Pump Model FXH
Drill Collar size 6 1/4	Drilling mud type Chemical	BBL/Min. 8.2 GAL/Min. 345	System Total (Min.) 88	Critical GPM DC/DP 260 337	

Sample from Flowline ___ or Pit ___ x	Daily Mud Cost 0.00	Cumulative Mud Cost 10,083.60
Flowline Temperature _____	Mud Properties	

Time Sample Taken	10:35 AM	
Depth (Ft.)	3,852	
Weight (lb/gal.)	9.0	
Mud Gradient (psi/ft.)	0.468	
Funnel Viscosity (Sec/qt. API)	53	CONFIDENTIAL
Plastic Viscosity cp	16	
Yield Point (lb/100 sq.ft.)	13	JUL 25 2008
Gel Strength 10 sec/10 min.	22/52	
pH	11.5	KCC
Filtrate API (ml/30 min.)	6.8	
Cake Thickness 32nd	1	
Alkalinity, Mud (Pm)	-	
Alkalinity, Filtrate (Pf/Mf)	1.25/-	
Chloride Content, ppm	2,800	
Calcium, ppm	0	
Sand Content (% by Vol)	tr	
Solids Content (% by Vol.)	4.8	
Oil Content (% by Vol.)	0.0	
Water Content (% by Vol.)	95.2	
LCM, lbs/bbl.	0	
Reynold's #DP	2,067	
Reynold's # DC	2,946	
ECD lb/gal	9.30	

MUD PROPERTIES SPECIFICATIONS			
Mud Wt. (lbs/gal.)	Viscosity	Filtrate	LCM
9.0-9.4	42-45	10-12cc	As Needed

Suggest:
Control mud wt. 9.0-9.4#/gal with water at sample box

Add this Premix when back to Drilling
50 bbls water/50 bbls pit mud
1-soda ash Use 100 bbls water
1-caustic if mud WT over 9.3
1 1/2-lignite
1/2sx Pac Jet volume and add
gel as needed over 1 1/2 hours

Use this Premix to Contrl Vis and WT
50 bbls water/50 bbls pit mud
1 soda ash
1 caustic Use 100 bbls water
1 1/2 lignite if mud WT over 9.3
1/3 sx pac
gel as needed Jet volume and add
over 1 1/2 hours

LCM as needed
Tourly at chemical bbl: 1caustic and 1lignite>Add 2hrs
Circulate hole clean prior to Dst's or Log's.
Always keep the hole full.
Devert all DST recovery to Reserve pit.
Thank You.

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DRILLING MUD INVENTORY					
Products:	Prior Day	Delivery	On Hand	Used	Cost
Premium Gel	47	420	467		
Lime	3		3		
Soda Ash	2	10	12		
Caustic Soda	7	10	17		
Lignite	4	10	14		
C/S Hulls	90		90		
Drill Pak	3	2	5		
Desco	2		2		
Poly Plus	2		2		
Florigel					
Xclde					
Sapp					
Barite					
MilGuard					

Mud-Co / Service Mud Representative John Boele	Home Address Sterling, KS	Telephone Number 620-278-2011
Cell:620-204-0522	Warehouse Location Pratt, Ks.	Telephone Number 620-672-2957

Mud-Co / Service Mud. Inc.

100 S. Main St., Suite #310, Wichita, Ks. 67202

Report: **8**

Daily Drilling Mud Report

Date: **05/28/08** Depth: **3852**

Operator Berexco, Inc.	Contractor Beredco Drilling Co.	Rig No. 10
Address Rig	Address Rig	Spud Date 05/21/08
Report for Mr. Jeremy Ensz	Report for Mr. Marvin Julian	Section 18
Well Name & No. Reed "E" #1	County Hodgeman	Twp 22S
	State Kansas	Range 23W

Operation	Casing	Mud Volume (BBL)	Circulation Data			
Present Activity Fishing f/cones	8 5/8 in. at 278	Hole 327 Pits 400	Liner Size 6 Stroke 14	Opposite Drill Pipe 203	Pump Pressure	-
Bit Size (in.) 7 7/8	No. Intermediate No.	Total Circulating Vol. 727	Est. Hole/DS capacities 8.5 2.43	Opposite Drill Collars 369	Pump Make G-D	
Drill pipe sz 4 1/2	Type XH	Volume in Storage Volume	BBL/Strk 0.137	Strk / Min. 60	Bottoms Up (Min.) 33	Pump Model FXH
Drill Collar size 6 1/4	Drilling mud type Chemical		BBL/Min. 8.2	GAL/Min. 345	System Total (Min) 88	Critical GPM DC/DP 231 271

Sample from Flowline ___ or Pit ___ x	Daily Mud Cost 0.00	Cumulative Mud Cost 10,388.60
Flowline Temperature _____	Mud Properties	

Time Sample Taken	7:00 AM	7:45 AM
Depth (Ft.)	3,852	3,852
Weight (lb/gal.)	8.8	8.9
Mud Gradient (psi/ft.)	0.458	
Funnel Viscosity (Sec/qt. API)	52	43
Plastic Viscosity cp	17	12
Yield Point (lb/100 sq.ft.)	8	9
Gel Strength 10 sec/10 min.	27/45	15/40
pH	11.50	12.00
Filtrate API (ml/30 min.)	7.2	7.6
Cake Thickness 32nd	1	1.5
Alkalinity, Mud (Pm)	-	-
Alkalinity, Filtrate (Pf/Mf)	1.1	1.5
Chloride Content, ppm	3,500	3,400
Calcium, ppm	0	0
Sand Content (% by Vol)	tr	tr
Solids Content (% by Vol.)	3.6	4.3
Oil Content (% by Vol.)	0.0	0
Water Content (% by Vol.)	96.4	95.7
LCM, lbs/bbl.	0	0
Reynold's #DP	2,710	
Reynold's # DC	3,317	
ECD lb/gal	9.10	

MUD PROPERTIES SPECIFICATIONS			
Mud Wt. (lbs/gal.)	Viscosity	Filtrate	LCM
9.0-9.4	42-45	10-12cc	As Needed

Suggest:
Control mud wt. 9.0-9.4#/gal with water at sample box

Use this Premix to Control Vis and WT While Fishing and Drilling.
50 bbls water/50 bbls pit mud
1 soda ash
1 caustic Use 100 bbls water if mud WT over 9.3
1 lignite
1/3 sx pac
gel as needed Jet volume and add over 1 1/2 hours

ADD THIS PREMIX WHEN BACK TO DRILLING.

50 bbls water/50 bbls pit mud
1-soda ash Use 100 bbls water if mud WT over 9.3
1-caustic
1 1/2-lignite
1/2sx Pac Jet volume and add over 1 1/2 hours
gel as needed

LCM as needed

Tourly at chemical bbl: 1caustic and 1lignite>Add 2hrs

Circulate hole clean prior to Dst's or Log's.

Always keep the hole full.

Devert all DST recovery to Reserve pit.

Thank You.

1st sample f/suction pit. 2nd f/flowline while filling the hole.

DRILLING MUD INVENTORY					
Products:	Prior Day	Delivery	On Hand	Used	Cost
Premium Gel	467		467		
Lime	3		3		
Soda Ash	12		12		
Caustic Soda	17		17		
Lignite	14		14		
C/S Hulls	90		90		
Drill Pak	4		4		
Desco	2		2		
Poly Plus	2		2		
Florigel					
Xcide					
Sapp					
Barite					
MilGuard					

Mud-Co / Service Mud Representative John Boele	Home Address Sterling, KS	Telephone Number 620-278-2011
Cell: 620-204-0522	Warehouse Location Pratt, Ks.	Telephone Number 620-672-2957

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Mud-Co / Service Mud. Inc.

100 S. Main St., Suite #310, Wichita, Ks. 67202

Report: **10**

Daily Drilling Mud Report

Date: **05/30/08** Depth: **4460**

Operator Berexco, Inc.		Contractor Beredco Drilling Co.		Rig No. 10	
Address Rig		Address Rig		Spud Date 05/21/08	
Report for Mr. Jeremy Ensz		Report for Mr. Marvin Julian		Section 18	Twp 22S
Well Name & No. Reed "E" #1		County Hodgeman		State Kansas	
Range 23W					

Operation Drilling		Casing 8 5/8 in. at 278		Mud Volume (BBL) Hole 379 Pits 400		Circulation Data				
Liner Size 6 Stroke 14		Opposite Drill Pipe 203		Pump Pressure 850		Est. Hole/DS capacities 8.5 2.43		Opposite Drill Collars 369		Pump Make G-D
Bit Size (in.) 7 7/8 No 2		Intermediate in. at		Total Circulating Vol. 779		Volume in Storage 100 bbls		BBI/ Strk 0.137 Strk / Min. 60		Bottoms Up (Min.) 39
Drill pipe sz 4 1/2 Type XH		Production / Liner in. at		BBL/Min. 8.2 GAL/Min. 345		System Total (Min) 95		Critical GPM DC/DP 240 310		Pump Model FXH
Drill Collar size 6 1/4 546		Drilling mud type Chemical		Daily Mud Cost 2,074.31		Cumulative Mud Cost 12,462.91				

Sample from Flowline _ x		Mud Properties	
Flowline Temperature			
Time Sample Taken 7:30 AM			
Depth (Ft.) 4,460			
Weight (lb/gal.) 9.35		CONFIDENTIAL	
Mud Gradient (psi/ft.) 0.486		JUL 25 2008	
Funnel Viscosity (Sec/qt. API) 55		KCC	
Plastic Viscosity cp 15			
Yield Point (lb/100 sq.ft.) 12			
Gel Strength 10 sec/10 min. 22/52			
pH 12.0			
Filtrate API (ml/30 min.) 8.8			
Cake Thickness 32nd 1			
Alkalinity, Mud (Pm) -			
Alkalinity, Filtrate (Pf/Mf) 1.1-			
Chloride Content, ppm 4,500			
Calcium, ppm 10			
Sand Content (% by Vol) tr			
Solids Content (% by Vol.) 7.0			
Oil Content (% by Vol.) 0.0			
Water Content (% by Vol.) 93.0			
LCM, lbs/bbl. 0			
Reynold's #DP 2,317			
Reynold's # DC 3,287			
ECD lb/gal 9.89			

MUD PROPERTIES SPECIFICATIONS	
Mud Wt. (lbs/gal.) 9.0-9.4	Viscosity 45-48
Filtrate 8-10cc	LCM As Needed

Suggest:

Control mud wt. 9.0-9.4#/gal with water at sample box

Add this Premix to Control Vis and WT AND AFTER DST'S

50 bbls water/50 bbls pit mud
 1 soda ash
 1 caustic Use 100 bbls water
 1 lignite if mud WT over 9.3
 1/2 sx pac
 gel as needed Jet volume and add
 over 1 1/2 hours

LCM as needed

Tourly at chemical bbl if no Premix is added

1 Caustic Add over 2
 1 Lignite Hours

Circulate hole clean prior to Dst's or Log's.

Always keep the hole full.

Divert all DST recovery to Reserve pit.

Thank You.

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DRILLING MUD INVENTORY					
Products:	Prior Day	Delivery	On Hand	Used	Cost
Premium Gel	467		367	100	645.00
Lime	3		3		
Soda Ash	12		7	5	95.50
Caustic Soda	17		10	7	353.57
Lignite	14		8	6	126.60
C/S Hulls	90		82	8	94.00
Drill Pak	4		2	2	610.00
Desco	2		2		
Poly Plus	2		1	1	149.64
Florigel					
Xcide					
Sapp					
Barite					
MilGuard					

Mud-Co / Service Mud Representative John Boele	Home Address Sterling, KS	Telephone Number 620-278-2011
Cell: 620-204-0522	Warehouse Location Pratt, Ks.	Telephone Number 620-672-2957

Mud-Co / Service Mud. Inc.

100 S. Main St., Suite #310, Wichita, Ks. 67202

Report: **11**

Daily Drilling Mud Report

Date: **05/31/08** Depth: **4711'**

Operator Berexco, Inc.	Contractor Beredco Drilling Co.	Rig No. 10
Address Rig	Address Rig	Spud Date 05/21/08
Report for Mr. Jeremy Ensz	Report for Mr. Marvin Julian	Section 18 Twp 22S Range 23W
Well Name & No. Reed "E" #1	County Hodgeman	State Kansas

Operation Present Activity CFS@4711'	Casing 8 5/8 in. at 278	Mud Volume (BBL) Hole 400 Pits 400	Circulation Data			
Bit Size (in.) 7 7/8 No 2	Intermediate in. at	Total Circulating Vol. 800	Liner Size 6	Stroke 14	Opposite Drill Pipe 203	Pump Pressure 800
Drill pipe sz 4 1/2 Type XH	Production / Liner in. at	Volume in Storage 100 bbls	Est. Hole/DS capacities 8.5 2.43	Opposite Drill Collars 369	Pump Make G-D	
Drill Collar size 6 1/4 546	Drilling mud type Chemical		BBV Strk 0.137	Strk / Min. 60	Bottoms Up (Min.) 41	Pump Model FXH
			BBL/Min. 8.2	GAL/Min. 345	System Total (Min.) 97	Critical GPM DC/DP 240 299

Sample from Flowline _ x	Mud Properties	Daily Mud Cost 210.26	Cumulative Mud Cost 12,673.17
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Flowline Temperature	Mud Properties
Time Sample Taken 8:40 AM	
Depth (Ft.) 4,711	
Weight (lb/gal.) 9.55	
Mud Gradient (psi/ft.) 0.497	
Funnel Viscosity (Sec/qt. API) CONFIDENTIAL	
Plastic Viscosity cp CONFIDENTIAL	
Yield Point (lb/100 sq.ft.) JUL 11 5 2008	
Gel Strength 10 sec/10 min. 36/67	
pH 11.0	
Filtrate API (ml/30 min.) 8.8	
Cake Thickness 32nd 1	
Alkalinity, Mud (Pm)	
Alkalinity, Filtrate (Pf/Mf) .9/-	
Chloride Content, ppm 4,000	
Calcium, ppm 0	
Sand Content (% by Vol) tr	
Solids Content (% by Vol.) 8.5	
Oil Content (% by Vol.) 0.0	
Water Content (% by Vol.) 91.5	
LCM, lbs/bbl. 0	
Reynold's #DP 2,422	
Reynold's # DC 3,227	
ECD lb/gal 10.09	

MUD PROPERTIES SPECIFICATIONS			
Mud Wt. (lbs/gal.) 9.0-9.4	Viscosity 48-52	Filtrate 8-10cc	LCM As Needed

Suggest:
Control mud wt. 9.0-9.4#/gal with water at sample box
ADD EXISTING PREMIX AFTER SHORT TRIP to bring WT down.
Add this Premix after DST's and as needed to Control Vis and WT.
50 bbls water/50 bbls pit mud
1 soda ash
1 caustic
1 lignite
1/2 sx pac
gel as needed
Use 100 bbls water if mud WT over 9.3
Jet volume and add over 1 1/2 hours

LCM as needed, Add 1-2# after Testing Mississippi.
Toury at chemical bbl if no Premix is added

1 Caustic
1 Lignite
Add over 2 Hours

Circulate hole clean prior to Dst's or Log's.

Always keep the hole full.

Divert all DST recovery to Reserve pit.

Thank You.

DRILLING MUD INVENTORY					
Products:	Prior Day	Delivery	On Hand	Used	Cost
Premium Gel	367		339	28	180.60
Lime	3		3		
Soda Ash	7		5	2	38.20
Caustic Soda	10		9	1	50.51
Lignite	8		6	2	42.20
C/S Hulls	82		73	9	105.75
Drill Pak	2		3	-1	-305.00
Desco	2		1	1	98.00
Poly Plus	1		1		
Florigel					
Xcide					
Sapp					
Barite					
MilGuard					

Mud-Co / Service Mud Representative John Boele	Home Address Sterling, KS	Telephone Number 620-278-2011
Cell: 620-204-0522	Warehouse Location Pratt, Ks.	Telephone Number 620-672-2957

RECEIVED
KANSAS CORPORATION COMMISSION
JUL 28 2008
CONSERVATION DIVISION
WICHITA, KS

Mud-Co / Service Mud. Inc.

100 S. Main St., Suite #310, Wichita, Ks. 67202

Report: **12**

Daily Drilling Mud Report

Date: **06/01/08** Depth: **4719**

Operator Berexco, Inc.		Contractor Beredco Drilling Co.		Rig No. 10	
Address Rig		Address Rig		Spud Date 05/21/08	
Report for Mr. Jeremy Ensz		Report for Mr. Marvin Julian		Section 18 Twp 22S Range 23W	
Well Name & No. Reed "E" #1		County Hodgeman		State Kansas	

Operation		Casing		Mud Volume (BBL)		Circulation Data			
Present Activity				Hole	Pits	Liner Size	Stroke	Opposite Drill Pipe	Pump Pressure
CFS@4719'		8 5/8 in. at 278		401	400	6	14	203	-
Bit Size (in.)	No	Intermediate		Total Circulating Vol.		Est. Hole/DS capacities		Opposite Drill Collars	Pump Make
7 7/8	2	in. at		801		8.5	2.43	369	G-D
Drill pipe sz	Type	Production / Liner		Volume in Storage		BBL/ Strk	Strk / Min.	Bottoms Up (Min.)	Pump Model
4 1/2	XH	in. at		Volume		0.137	60	41	FXH
Drill Collar size	Drilling mud type				BBL/Min.	GAL/Min.	System Total (Min)	Critical GPM DC/DP	
6 1/4	546	CHEMICAL				8.2	345	97	294 384

Sample from Flowline _ X	Daily Mud Cost	Cumulative Mud Cost
Flowline Temperature	296.75	12,969.92

Mud Properties	
Time Sample Taken	9:10 AM
Depth (Ft.)	4,719
Weight (lb/gal.)	9.2
Mud Gradient (psi/ft.)	0.478
Funnel Viscosity (Sec/qt. API)	64
Plastic Viscosity cp	19
Yield Point (lb/100 sq.ft.)	16
Gel Strength 10 sec/10 min.	30/54
pH	11.5
Filtrate API (ml/30 min.)	8.0
Cake Thickness 32nd	1
Alkalinity, Mud (Pm)	-
Alkalinity, Filtrate (Pf/Mf)	1.1
Chloride Content, ppm	4,100
Calcium, ppm	0
Sand Content (% by Vol)	TR
Solids Content (% by Vol.)	6.2
Oil Content (% by Vol.)	0.0
Water Content (% by Vol.)	93.8
LCM, lbs/bbl.	0
Reynold's #DP	1,732
Reynold's # DC	2,497
ECD lb/gal	9.72

MUD PROPERTIES SPECIFICATIONS			
Mud Wt.(lbs/gal.)	Viscosity	Filtrate	LCM
9.0-9.4	48-52	8-10cc	1-2#

Suggest:
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 gel as needed
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 Jet volume and add over 1 1/2 hours
 Tourly at chemical bbl if no Premix is added
 1 Caustic
 1 Lignite
 Add over 2 Hours

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Thank You.

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DRILLING MUD INVENTORY					
Products:	Prior Day	Delivery	On Hand	Used	Cost
Premium Gel	339		339		
Lime	3		4	-1	-8.25
Soda Ash	5		5		
Caustic Soda	9		9		
Lignite	6		6		
C/S Hulls	73		73		
Drill Pak	3		2	1	305.00
Desco	1		1		
Poly Plus	1		1		
Flortgel					
Xcide					
Sapp					
Barite					
MilGuard					

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