

ORIGINAL

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

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 # 34110

Name: Caerus Operating LLC

Address 1: 600 17th St., Suite 1600N

Address 2:

City: Denver State: CO Zip: 80202

Contact Person: Matthew A. Wurtzbacher

Phone: (303) 565-4600

CONTRACTOR: License # 5822

Name: Val Energy

Wellsite Geologist: Ted Pfau

Purchaser:

Designate Type of Completion:

- Checkboxes for completion types: New Well, Re-Entry, Workover, Oil, WSW, SWD, SLOW, 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:

- Checkboxes for completion details: Deepening, Re-perf., Conv. to ENHR, Conv. to SWD, Conv. to GSW, Plug Back, Commingled, Dual Completion, SWD, ENHR, GSW

12/7/08 12/15/08 D&A
Spud Date or Recompletion Date Date Reached TD Completion Date or Recompletion Date

API No. 15 - 009-25291-0000

Spot Description:

NE SE NE Sec. 14 Twp. 18 S. R. 14 East West

1,785 Feet from North / South Line of Section

630 Feet from East / West Line of Section

Footages Calculated from Nearest Outside Section Corner:

- Checkboxes for corner footages: NE, NW, SE, SW

County: Barton

Lease Name: Springer Well #: 42-14

Field Name: Boyd Crossing

Producing Formation: Arbuckle

Elevation: Ground: 1872' Kelly Bushing: 1882'

Total Depth: 3482' Plug Back Total Depth:

Amount of Surface Pipe Set and Cemented at: 823' 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: ppm Fluid volume: bbls

Dewatering method used:

Location of fluid disposal if hauled offsite:

Operator Name:

Lease Name: License #:

Quarter Sec. Twp. S. R. East West

County: Permit #:

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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 2010, 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: Rocky Mountain Permitting - Permit Agent Date: 7/7/10

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: 8/10/10

Operator Name: Caerus Operating LLC Lease Name: Springer Well #: 42-14
 Sec. 14 Twp. 18 S. R. 14 East West County: Barton

INSTRUCTIONS: Show important tops and base of formations penetrated. Detail all cores. Report all final copies of drill stems tests giving interval tested, time tool open and closed, flowing and shut-in pressures, whether shut-in pressure reached static level, hydrostatic pressures, bottom hole temperature, fluid recovery, and flow rates if gas to surface test, along with final chart(s). Attach extra sheet if more space is needed. Attach complete copy of all Electric Wire-line Logs surveyed. Attach final geological well site report.

Drill Stem Tests Taken <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Attach Additional Sheets)</i> Samples Sent to Geological Survey <input type="checkbox"/> Yes <input type="checkbox"/> No Cores Taken <input type="checkbox"/> Yes <input type="checkbox"/> No Electric Log Run <input type="checkbox"/> Yes <input type="checkbox"/> No Electric Log Submitted Electronically <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(If no, Submit Copy)</i> List All E. Logs Run: <i>compensated Density / Neutron, Sonic log Dual Induction log, Micro log,</i>	<input type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:70%;">Name</td> <td style="width:15%;">Top</td> <td style="width:15%;">Datum</td> </tr> <tr> <td>Anhydrite</td> <td>832'</td> <td>1050'</td> </tr> <tr> <td>Queen Hill</td> <td>2950'</td> <td>-1068'</td> </tr> <tr> <td>Heebner</td> <td>3035'</td> <td>-1153</td> </tr> <tr> <td>Lansing</td> <td>3122'</td> <td>-1240'</td> </tr> <tr> <td>BKC</td> <td>3323'</td> <td>-1441'</td> </tr> <tr> <td>Arbuckle</td> <td>3350'</td> <td>-1468'</td> </tr> </table>	Name	Top	Datum	Anhydrite	832'	1050'	Queen Hill	2950'	-1068'	Heebner	3035'	-1153	Lansing	3122'	-1240'	BKC	3323'	-1441'	Arbuckle	3350'	-1468'
Name	Top	Datum																				
Anhydrite	832'	1050'																				
Queen Hill	2950'	-1068'																				
Heebner	3035'	-1153																				
Lansing	3122'	-1240'																				
BKC	3323'	-1441'																				
Arbuckle	3350'	-1468'																				

CASING RECORD <input checked="" type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
Surface	12-1/4"	8-5/8"	23	823'	60/40 Poz	375	2% gel & 3% cc

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 <i>(Amount and Kind of Material Used)</i>	Depth

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TUBING RECORD:	Size:	Set At:	Packer At:	Liner Run: <input type="checkbox"/> Yes <input type="checkbox"/> No
Date of First, Resumed Production, SWD or ENHR.		Producing Method: <input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain) _____		
Estimated Production Per 24 Hours	Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio Gravity

DISPOSITION OF GAS: <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 <i>(Submit ACO-5) (Submit ACO-4)</i> <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTERVAL: _____ _____
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May 13, 2010

RE: Designation of Agent

To Whom It May Concern:

By this letter I, Matthew Wurtzbacher, President and Chief Operating Officer, as designated agent for Caerus Kansas, LLC do hereby authorize Terry L. Hoffman with Rocky Mountain Permitting, LLC to act as Permit Agent, effective May 6, 2010, for Caerus Kansas, LLC. In that capacity, she is authorized to prepare and sign regulatory documents on Caerus' behalf. She is also authorized to submit and receive direct communication, including proprietary, from environmental contractors, Federal, State and local agencies within the State of Kansas.

If you have any questions or concerns, please feel free to contact me at 303-565-4600 or via email at matt@caerusoilandgas.com.

I thank you in advance for your cooperation.

Sincerely,

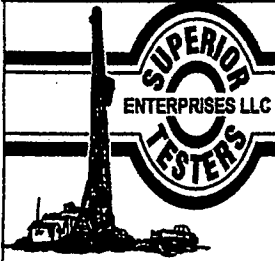
Caerus Kansas, LLC

A handwritten signature in black ink that reads "Matthew Wurtzbacher". The signature is written in a cursive, flowing style.

Matthew Wurtzbacher, P.E.
President and Chief Operating Officer

MW/tlh

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DRILL STEM TEST REPORT

TETON NORTH AMERICA L.L.C
 600 17TH STREET DENVER CO 80202
 ATTN: JEFF ZOHLER

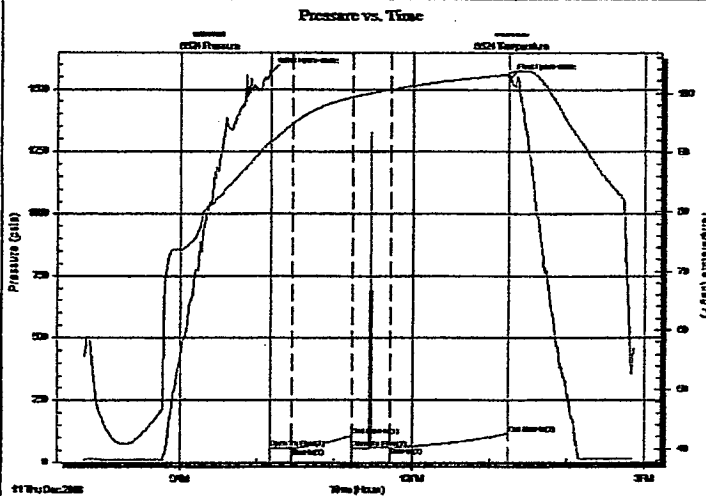
SPRINGER #42-14
 14-18S-14W BARTON
 Job Ticket: 16676 DST#: 1
 Test Start: 2008.12.11 @ 07:45:00

GENERAL INFORMATION:

Formation: LANSING A-D
 Deviated: No Whipstock ft (KB)
 Time Tool Opened: 10:10:30
 Time Test Ended: 14:52:30
 Interval: 3132.00 ft (KB) To 3198.00 ft (KB) (TVD)
 Total Depth: 3198.00 ft (KB) (TVD)
 Hole Diameter: 6.88 inches Hole Condition: Fair
 Test Type: Conventional Bottom Hole (Initial)
 Tester: JARED SCHECK
 Unit No: 3320- 25 - GB
 Reference Elevations: 1882.00 ft (KB)
 1872.00 ft (CF)
 KB to GR/CF: 10.00 ft

Serial #: 8524 Inside
 Press@RunDepth: 60.03 psia @ 3193.00 ft (KB) Capacity: 5000.00 psia
 Start Date: 2008.12.11 End Date: 2008.12.11 Last Calib.: 2008.12.11
 Start Time: 07:45:00 End Time: 14:52:30 Time On Btrr: 2008.12.11 @ 10:10:00
 Time Off Btrr: 2008.12.11 @ 13:15:00

TEST COMMENT: 15/INITIAL OPEN:VERY WEAK BUT BUILDING BLOW BUILT 1 INCH INTO WATER IN 15 MINUTES
 45/INITIAL SHUT IN: NO BLOW BACK
 30/FINAL OPEN:VERY WEAK BLOW DID NOT BUILD FLUSHED TOOL 10 MINUTES INTO OPEN GOOD
 SURGE DID NOT BUILD



PRESSURE SUMMARY

Time (Min.)	Pressure (psia)	Temp (deg F)	Annotation
0	1570.04	91.86	Initial Hydro-static
1	58.12	91.72	Open To Flow (1)
17	59.36	94.91	Shut-In(1)
63	108.26	99.33	End Shut-In(1)
64	58.59	99.36	Open To Flow (2)
93	60.03	100.68	Shut-In(2)
184	115.58	103.13	End Shut-In(2)
185	1545.56	103.48	Final Hydro-static

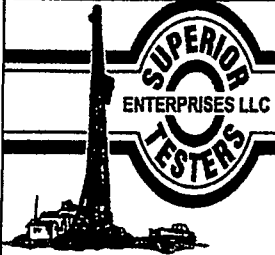
Recovery

Length (ft)	Description	Volume (bbl)
3.00	MUD 100%	0.04

Gas Rates

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

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DRILL STEM TEST REPORT

TETON NORTH AMERICA L.L.C

SPRINGER #42-14

600 17TH STREET DENVER CO 80202

14-18S-14W BARTON

ATTN: JEFF ZOHLER

Job Ticket: 16677

DST#: 2

Test Start: 2008.12.12 @ 04:10:00

GENERAL INFORMATION:

Formation: LANSING F,G

Deviated: No Whipstock ft (KB)

Time Tool Opened: 06:07:00

Time Test Ended: 11:16:30

Test Type: Conventional Bottom Hole (Initial)

Tester: JARED SCHECK

Unit No: 3320- 25- GB

Interval: 3194.00 ft (KB) To 3254.00 ft (KB) (TVD)

Total Depth: 3254.00 ft (KB) (TVD)

Hole Diameter: 6.88 inches Hole Condition: Fair

Reference Elevations: 1882.00 ft (KB)

1872.00 ft (CF)

KB to GR/CF: 10.00 ft

Serial #: 8524

Press@RunDepth: 63.93 psia @ ft (KB)

Capacity: 5000.00 psia

Start Date: 2008.12.12 End Date: 2008.12.12

Last Calib.: 2008.12.12

Start Time: 04:11:00 End Time: 11:16:30

Time On Btm: 2008.12.12 @ 06:06:30

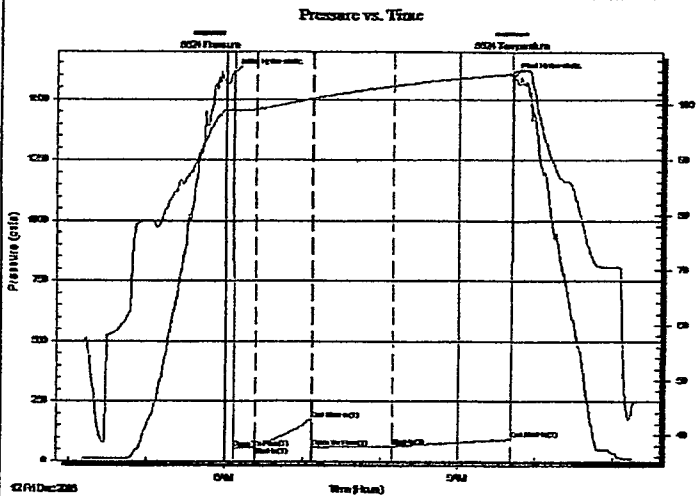
Time Off Btm: 2008.12.12 @ 09:42:00

TEST COMMENT: 15/INITIAL OPEN:WEAK BUT BUILDING BLOW BUILT 1 INCH INTO WATER IN 15 MINUTES

45/INITIAL SHUT-IN:NO BLOW BACK

60/FINAL OPEN:WEAK BLOW BUILT 1/2 INCH INTO WATER IN 60 MINUTES

90/FINAL SHUT-IN:NO BLOW BACK



PRESSURE SUMMARY

Time (Min.)	Pressure (psia)	Temp (deg F)	Annotation
0	1607.91	99.20	Initial Hydro-static
1	56.06	98.93	Open To Flow (1)
17	59.66	99.14	Shut-In(1)
61	175.20	101.12	End Shut-In(1)
61	60.06	101.14	Open To Flow (2)
123	63.93	103.38	Shut-In(2)
215	93.97	105.50	End Shut-In(2)
216	1595.03	105.89	Final Hydro-static

Recovery

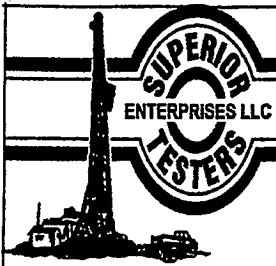
Length (ft)	Description	Volume (bbl)
10.00	MUD 100%	0.14

Gas Rates

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

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DRILL STEM TEST REPORT

TETON NORTH AMERICA L.L.C
600 17TH STREET DENVER CO 80202

SPRINGER #42-14
14-18S-14W BARTON
Job Ticket: 16678 DST#: 3
Test Start: 2008.12.13 @ 00:05:00

ATTN: JEFF ZOLLER

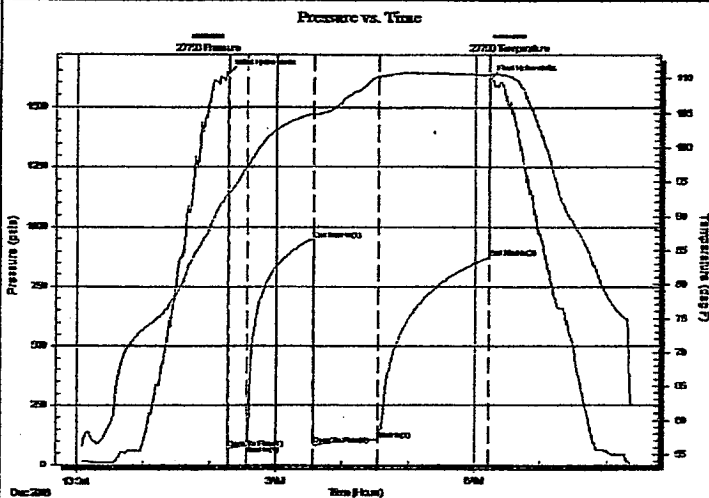
GENERAL INFORMATION:

Formation: **LANSING H-K**
Deviated: **No Whipstock** ft (KB)
Time Tool Opened: **02:16:55**
Time Test Ended: **08:22:25**
Interval: **3251.00 ft (KB) To 3341.00 ft (KB) (TVD)**
Total Depth: **3341.00 ft (KB) (TVD)**
Hole Diameter: **6.88 inches** Hole Condition: **Fair**
Test Type: **Conventional Bottom Hole (Initial)**
Tester: **JARED SCHECK**
Unit No: **3320- GB-BARTON**
Reference Elevations: **1882.00 ft (KB)**
1872.00 ft (CF)
KB to GR/CF: **10.00 ft**

Serial #: 27799

Press@RunDepth: **875.61 psia @** ft (KB) Capacity: **5000.00 psia**
Start Date: **2008.12.13** End Date: **2008.12.13** Last Calib.: **2008.12.13**
Start Time: **00:05:25** End Time: **08:22:25** Time On Btrm: **2008.12.13 @ 02:15:55**
Time Off Btrm: **2008.12.13 @ 06:13:25**

TEST COMMENT: 15/INITIAL OPEN:WEAK BUT BUILDING BLOW BUILT 2 1/2 INCHES INTO WATER IN 15 MINUTES
60/INITIAL SHUT IN:NO BLOW BACK
60/FINAL OPEN:WEAK BUT BUILDING BLOW BUILT 3 1/2 INCHES INTO WATER IN 60 MINUTES
90/FINAL SHUT IN :NO BLOW BACK



PRESSURE SUMMARY

Time (Min.)	Pressure (psia)	Temp (deg F)	Annotation
0	1638.27	93.17	Initial Hydro-static
1	69.54	93.37	Open To Flow (1)
18	81.37	97.11	Shut-in(1)
78	947.53	104.87	End Shut-in(1)
79	83.60	104.86	Open To Flow (2)
136	106.55	110.21	Shut-in(2)
237	875.61	110.48	End Shut-in(2)
238	1618.00	110.51	Final Hydro-static

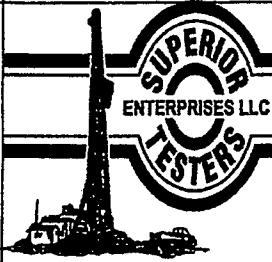
Recovery

Length (ft)	Description	Volume (bbl)
45.00	SPOT OIL 1% MUD 99%	0.63

Gas Rates

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

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DRILL STEM TEST REPORT

TETON NORTH AMERICA L.L.C
 600 17TH STREET DENVER CO 80202
 ATTN: JEFF ZOLLER

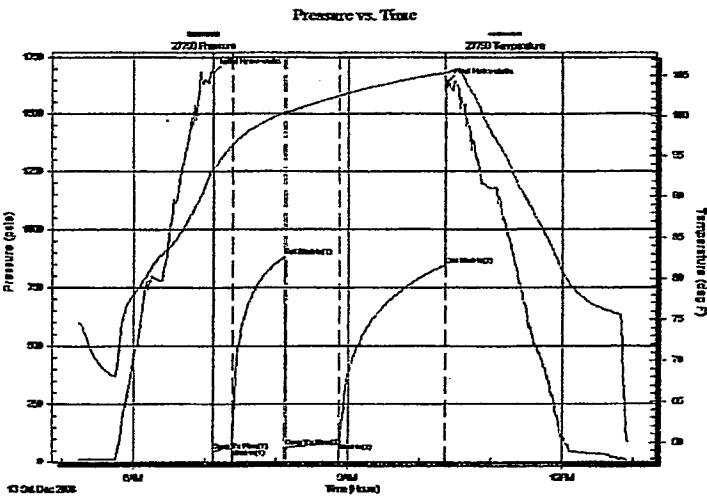
SPRINGER #42-14
14-18S-14W BARTON
 Job Ticket: 16679 DST#: 4
 Test Start: 2008.12.13 @ 05:10:00

GENERAL INFORMATION:

Formation: **ARBUCKLE**
 Deviated: No Whipstock ft (KB)
 Time Tool Opened: 07:06:55
 Time Test Ended: 12:55:24
 Interval: **3326.00 ft (KB) To 3376.00 ft (KB) (TVD)**
 Total Depth: **3376.00 ft (KB) (TVD)**
 Hole Diameter: **6.88 inches** Hole Condition: Fair
 Test Type: **Conventional Bottom Hole (Initial)**
 Tester: **JARED SCHECK**
 Unit No: **3320- 25- GB**
 Reference Elevations: **1882.00 ft (KB)**
1872.00 ft (CF)
 KB to GR/CF: **10.00 ft**

Serial #: 27799 Inside
 Press@RunDepth: **82.91 psia @ 3371.00 ft (KB)** Capacity: **5000.00 psia**
 Start Date: **2008.12.13** End Date: **2008.12.13** Last Calib.: **2008.12.14**
 Start Time: **05:10:00** End Time: **12:55:24** Time On Btrm: **2008.12.13 @ 07:06:25**
 Time Off Btrm: **2008.12.13 @ 10:22:55**

TEST COMMENT: 15/INITIAL OPEN:WEAK BUT BUILDING BLOW BUILT 2 1/2 INCHES INTO WATER IN 15 MINUTES
 45/INITIAL SHUT IN: NO BLOW BACK
 45/FINAL OPEN:WEAK BUT BUILDING BLOW BUILT 3 INCHES INTO WATER IN 45 MINUTES
 90/FINAL SHUT IN:NO BLOW BACK



PRESSURE SUMMARY

Time (Min.)	Pressure (psia)	Temp (deg F)	Annotation
0	1682.12	93.29	Initial Hydro-static
1	48.41	93.43	Open To Flow (1)
17	58.42	96.32	Shut-in(1)
60	883.42	100.42	End Shut-in(1)
61	64.03	100.48	Open To Flow (2)
106	82.91	102.47	Shut-in(2)
195	847.15	105.30	End Shut-in(2)
197	1640.54	105.36	Final Hydro-static

Recovery

Length (ft)	Description	Volume (bbl)
70.00	MUD CUT WATER 30%M 70%W	0.98

Gas Rates

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

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