

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL

Form ACO-1
June 2009

Form Must Be Typed
Form must be Signed
All blanks must be Filled

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

OPERATOR: License # 9090
Name: Charter Energy, Inc.
Address 1: P.O. Box 252
Address 2: _____
City: Great Bend State: Ks Zip: 67530 + 0252
Contact Person: Steve Baize
Phone: (620) 793-9090
CONTRACTOR: License # 33793
Name: H2 Drilling LLC
Wellsite Geologist: Josh Austin
Purchaser: N C R A

Designate Type of Completion:

- New Well Re-Entry Workover
- Oil WSW SWD SIOW
 Gas D&A ENHR SIGW
 OG GSW Temp. Abd.
 CM (Coal Bed Methane)
 Cathodic Other (Core, Expl., etc.): _____

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

Operator: _____
Well Name: _____
Original Comp. Date: _____ Original Total Depth: _____
 Deepening Re-perf. Conv. to ENHR Conv. to SWD
 Conv. to GSW
 Plug Back: _____ Plug Back Total Depth
 Commingled Permit #: _____
 Dual Completion Permit #: _____
 SWD Permit #: _____
 ENHR Permit #: _____
 GSW Permit #: _____

<u>7 / 07 / 2010</u>	<u>7 / 14 / 2010</u>	<u>7 / 26 / 2010</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 185-23628-0060
Spot Description: _____
SW SE NW SE Sec. 33 Twp. 21 S. R. 13 East West
1,350 Feet from North / South Line of Section
1,850 Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Stafford
Lease Name: Gates "B" Well #: 1
Field Name: Gates
Producing Formation: Arbuckle
Elevation: Ground: 1892 Kelly Bushing: 1900
Total Depth: 3748 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at: 332 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.

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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 #: _____

INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side two of this form will be held confidential for a period of 12 months if requested in writing and submitted with the form (see rule 82-3-107 for confidentiality in excess of 12 months). One copy of all wireline logs and geologist well report shall be attached with this form. ALL CEMENTING TICKETS MUST BE ATTACHED. Submit CP-4 form with all plugged wells. Submit CP-111 form with all temporarily abandoned wells.

AFFIDAVIT

I am the affiant and I hereby certify that all requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Signature: _____
Title: President Date: 9 / 14 / 2010

KCC Office Use ONLY

- Letter of Confidentiality Received
Date: _____
 Confidential Release Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution
ALT I II III Approved by: Dg Date: 9/21/10

Operator Name: Charter Energy, Inc. Lease Name: Gates "B" Well #: 1
 Sec. 33 Twp. 21 S. R. 13 East West County: Stafford

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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Electric Log Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Electric Log Submitted Electronically <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>(If no, Submit Copy)</i> List All E. Logs Run: Dual Induction, Compensated Density Neutron Micro	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample <table style="width:100%; border-collapse: collapse;"> <tr> <td style="width:70%;">Name</td> <td style="width:15%;">Top</td> <td style="width:15%;">Datum</td> </tr> <tr> <td>Anhydrite</td> <td>746</td> <td>+1154</td> </tr> <tr> <td>Heebner</td> <td>3239</td> <td>-1339</td> </tr> <tr> <td>Lansing</td> <td>3381</td> <td>-1481</td> </tr> <tr> <td>Viola</td> <td>3651</td> <td>-1751</td> </tr> <tr> <td>Simpson Shale</td> <td>3691</td> <td>-1791</td> </tr> <tr> <td>Arbuckle</td> <td>3739</td> <td>-1839</td> </tr> </table>	Name	Top	Datum	Anhydrite	746	+1154	Heebner	3239	-1339	Lansing	3381	-1481	Viola	3651	-1751	Simpson Shale	3691	-1791	Arbuckle	3739	-1839
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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	24	332	common	450sx	3%cc, 2% gel
Production	7 7/8	5 1/2	15.50	3741	EA-2	145	

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
open hole		none	

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TUBING RECORD:	Size: <u>2 7/8</u>	Set At: <u>3741</u>	Packer At:	Liner Run: <input type="checkbox"/> Yes <input type="checkbox"/> No
Date of First, Resumed Production, SWD or ENHR. <u>8 / 07 / 2010</u>		Producing Method: <input type="checkbox"/> Flowing <input checked="" type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain) _____		
Estimated Production Per 24 Hours	Oil Bbls. <u>55</u>	Gas Mcf	Water Bbls. <u>10</u>	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 checked="" 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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Mail to: KCC - Conservation Division, 130 S. Market - Room 2078, Wichita, Kansas 67202

QUALITY OILWELL CEMENTING, INC.

Phone 785-483-2025
Fax 785-324-1041

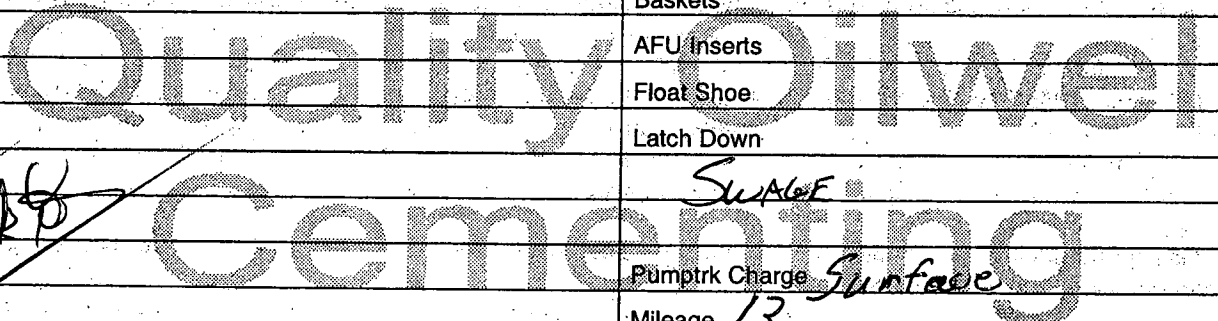
Home Office P.O. Box 32 Russell, KS 67665

No. 4113

Date	7-9-10	Sec.	Twp.	Range	County	State	On Location	Finish
Lease	Gates B	Well No.	1	Location	Stafford	Kansas		7:00 AM
Contractor	H2 Drilling				Great Bend S to Co Line 55 1/2 W			
Type Job	Surface				Owner To Quality Oilwell Cementing, Inc. You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as listed.			
Hole Size	12 1/4	T.D.	334	Charge To				
Csg.	8 5/8 2346	Depth	333	Chatter Energy				
Tbg. Size		Depth		Street				
Tool		Depth		City				
Cement Left in Csg.	10-15'	Shoe Joint		State				
Meas Line		Displace	20 1/2 Bu	The above was done to satisfaction and supervision of owner agent or contractor.				
EQUIPMENT				Cement Amount Ordered 450 Can Fall 2 1/2 bu				
Pumptrk	91	No.	Cement	1 B To Seal				
			Helper	Common 450				
Bulktrk	410	No.	Driver	Poz. Mix				
			Driver	Gel. 8				
Bulktrk		No.	Driver	Calcium 16				
			Driver	Hulls				
JOB SERVICES & REMARKS				Salt				
Remarks:	Flowseal 225#							
Rat Hole	Kol-Seal							
Mouse Hole	Mud CLR 48							
Centralizers	CFL-117 or CD110 CAF 38							
Baskets	Sand							
D/V or Port Collar	Handling 474							
	Mileage 51							
				FLOAT EQUIPMENT				
				Guide Shoe				
				Centralizer				
				Baskets				
				AFU Inserts				
				Float Shoe				
				Latch Down				
				SURFACE				
				Pumptrk Charge Surface				
				Mileage 13				
				3 Hrs Rig Time off				
				Tax				
				Discount				
				Total Charge				
Signature				JSE C. Sabilla				

Cement did Circulate

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[Handwritten initials]

U W U U U



CHARGE TO: Charter Energy
 ADDRESS: _____
 CITY, STATE, ZIP CODE: _____

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TICKET
 18720

PAGE 1 OF 2

SERVICE LOCATIONS 1. <u>Ness City KS</u>	WELL/PROJECT NO. <u>1</u>	LEASE <u>Gates "B"</u>	COUNTY/PARISH <u>Stafford</u>	STATE <u>KS</u>	CITY <u>Ness City</u>	DATE <u>7-14-10</u>	OWNER
2.	TICKET TYPE <input checked="" type="checkbox"/> SERVICE <input type="checkbox"/> SALES	CONTRACTOR <u>H² Drilling Co.</u>	RIG NAME/NO.	SHIPPED VIA	DELIVERED TO <u>St John</u>	ORDER NO.	
3.	WELL TYPE <u>Oil</u>	WELL CATEGORY <u>Development</u>	JOB PURPOSE <u>Cement 5 1/2" Casing</u>	WELL PERMIT NO.	WELL LOCATION <u>St John North</u>		
4. REFERRAL LOCATION	INVOICE INSTRUCTIONS						

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		U/M		UNIT PRICE	AMOUNT
		LOC	ACCT	DF							
575		1			MILEAGE Trk # 114	70	mi			5.00	350.00
578		1			Pump Charge Longstring	1	ea			1400.00	1400.00
221		1			Liquid KCL	2	gal			25.00	50.00
281		1			Mud Flush	500	gal			1.00	500.00
402		1			Centralizer	6	ea	5 1/2"		55.00	330.00
403		1			Cement Basket	1	ea	5 1/2"		200.00	200.00
406		1			Latch Down Plug + Baffle	1	ea	5 1/2"		225.00	225.00
407		1			Insert Float Shoe/Autofill	1	ea			275.00	275.00

LEGAL TERMS: Customer hereby acknowledges and agrees to the terms and conditions on the reverse side hereof which include, but are not limited to, PAYMENT, RELEASE, INDEMNITY, and LIMITED WARRANTY provisions.

MUST BE SIGNED BY CUSTOMER OR CUSTOMER'S AGENT PRIOR TO START OF WORK OR DELIVERY OF GOODS

X
 DATE SIGNED 7-14-10 TIME SIGNED 2330
 A.M. P.M.

REMIT PAYMENT TO:
 SWIFT SERVICES, INC.
 P.O. BOX 466
 NESS CITY, KS 67560
 785-798-2300

SURVEY	AGREE	UN-DECIDED	DIS-AGREE	PAGE TOTAL	3330.00
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?					
WE UNDERSTOOD AND MET YOUR NEEDS?					
OUR SERVICE WAS PERFORMED WITHOUT DELAY?					4115.33
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?				TAX	
ARE YOU SATISFIED WITH OUR SERVICE? <input type="checkbox"/> YES <input type="checkbox"/> NO				TOTAL	
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND					

CUSTOMER ACCEPTANCE OF MATERIALS AND SERVICES The customer hereby acknowledges receipt of the materials and services listed on this ticket.

SWIFT OPERATOR Brett Carson

APPROVAL [Signature]

Thank You!



PO Box 466
Ness City, KS 67560
Off: 785-798-2300

TICKET CONTINUATION

TICKET No. 18720

CUSTOMER Charter Energy WELL Gates R' #1 DATE 7-14-10 PAGE 2 OF 2

PRICE REFERENCE	SECONDARY REFERENCE/PART NUMBER	ACCOUNTING			TIME	DESCRIPTION	QTY		UM		UNIT PRICE	AMOUNT	
		LOC	ACCT	DF			QTY	UM	QTY	UM			
325		1				Standard Cement	175	skts			12.00	2100.00	
276		1				Flocele	45	lbs			1.50	67.50	
283		1				Salt	100	lbs			1.35	135.00	
284		1				Calson	8	skts			30.00	240.00	
286		1				Haloch-1	100	lbs			6.00	600.00	
290		1				D-Air	2	gal			35.00	70.00	
581		1				SERVICE CHARGE					1.50	262.50	
583		1				MILEAGE CHARGE					1.00	640.33	
							TOTAL WEIGHT	18295		LOADED MILES	70		
							CUBIC FEET	175		TON MILES	640.33		

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CONTINUATION TOTAL 4115.33

JOB LOG

SWIFT Services, Inc.

DATE 7-14-10 PAGE NO.

CUSTOMER Charter Energy WELL NO. 1 LEASE Gates "B" JOB TYPE Cement 5 1/2" Casing TICKET NO. 18720

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	2330							On Location 5 1/2 15.5# Cent. 1, 3, 5, 7, 9, 11 TD-3748' Basket #8 PS-3741' Jt out - 2, 90, 91, 92 TP-3744' ST-21'
	0015							Start 5 1/2" Casing
	0230							Break Circulation
	0305	6 3/4	32	✓			200	Pump Mud Flush + KCL Flush
	0305	4 1/2		✓			200	Start Cement 145 sks @ 150 ppm
			35				-	Shut Down - Release Plug - Wash Pump line
	0320	6 3/4		✓			200	Start Displacement
		6 3/4	65	✓			300	Lift Cement
							800	Max Lift
	0335		88.5	✓			1500	Land Plug - Release - Hold
	0350	3	7	✓				Plug Rat Hole 30 sks
	0430							Wash Truck Job Complete Thank you Brett, Dave + Rob

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