

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

ORIGINAL

Form ACO-1
October 2008
Form Must Be Typed

OPERATOR: License # 34348

Name: Blue Diamond Holdings, LLC

Address 1: 4595 K-33 Highway

Address 2: PO BOX 128

City: Wellsville State: KS Zip: 66092

Contact Person: Phil Frick

Phone: (785) 883-4057

CONTRACTOR: License # 33715

Name: Town Oilfield Service

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Wellsite Geologist: None

Purchaser: Kelly L. Maclaskey Oilfield Services, Inc.

Designate Type of Completion:

New Well Re-Entry Workover
 Oil SWD SIOW
 Gas ENHR SIGW
 CM (Coal Bed Methane) Temp. Abd.
 Dry Other

(Core, WSW, Expl., Cathodic, 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

Plug Back: _____ Plug Back Total Depth

Commigled Docket No.: _____

Dual Completion Docket No.: _____

Other (SWD or Enhr.?) Docket No.: _____

4/18/10 4/19/10 4/19/10

Spud Date or Date Reached TD Completion Date or Recompletion Date

API No. 15 - 121-28762-0000

Spot Description: _____

SE SW SW SW Sec. 31 Twp. 16 S. R. 24 East West

290 Feet from North / South Line of Section

4800 Feet from East / West Line of Section

Footages Calculated from Nearest Outside Section Corner:

NE NW SE SW

County: Miami

Lease Name: Paulsen Well #: BI-8

Field Name: Paola-Rantoul

Producing Formation: Cattleman

Elevation: Ground: 947 (est) Kelly Bushing: NA

Total Depth: 738.0' Plug Back Total Depth: 670.0'

Amount of Surface Pipe Set and Cemented at: 20.0' Feet

Multiple Stage Cementing Collar Used? Yes No

If yes, show depth set: _____ Feet

If Alternate II completion, cement circulated from: 700.7'

feet depth to: Surface w/ 97 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 No.: _____

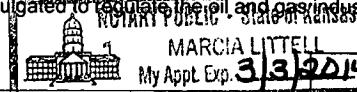
Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West

County: _____ Docket No.: _____

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

All requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Signature: Marcia Littell



MARCI LITTELL

My Appt. Exp. 3/3/2014

Title: Associate Date: 8/3/10

Subscribed and sworn to before me this 3 day of AUGUST.

20 10

Notary Public: Marcia Littell

Date Commission Expires: 3-3-2014

KCC Office Use ONLY

Letter of Confidentiality Received

If Denied, Yes Date: _____

Wireline Log Received

Geologist Report Received

UIC Distribution

AH 2-518 - 8/12/10

Operator Name: Blue Diamond Holdings, LLC Lease Name: Paulsen Well #: BI-8
 Sec. 31 Twp. 16 S. R. 24 East West County: Miami

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

Drill Stem Tests Taken (Attach Additional Sheets)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum	<input type="checkbox"/> Sample
Samples Sent to Geological Survey	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Name	Top Datum
Cores Taken Electric Log Run (Submit Copy)	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Cattleman	592 +355 est
List All E. Logs Run: Gamma Ray/Neutron/CCL			

CASING RECORD <input type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
Surface	9 7/8"	7"	NA	20.0'	50/50 Poz	4 sx	See Service Co. Ticket
Production	5 5/8"	2 7/8"	NA	700.7'	50/50 Poz	97 sx	See Service Co. Ticket

ADDITIONAL CEMENTING / SQUEEZE RECORD

Purpose: — Perforate — Protect Casing — Plug Back TD — Plug Off Zone	Depth Top Bottom	Type of Cement	#Sacks Used	Type and Percent Additives

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used)	Depth
3 spf	592.0 to 632.0 - 124 perfs - 2" DML RTG		
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		KCC WICHITA	

TUBING RECORD:	Size:	Set At:	Packer At:	Liner Run:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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Date of First, Resumed Production, SWD or Enhr. Pending Permit	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. NA	Gas Mcf NA	Water	Bbls.	Gas-Oil Ratio	Gravity

DISPOSITION OF GAS: <input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease (If vented, Submit ACO-18.)	METHOD OF COMPLETION: <input type="checkbox"/> Open Hole <input checked="" type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTERVAL: _____ _____
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Miami County, KS
Well: Paulsen BI-8
Lease Owner: BDH, LLC

Town Oilfield Service, Inc.
(913) 837-8400

Commenced Spudding:
4/18/10

WELL LOG

Thickness of Strata	Formation	Total Depth
0-10	Soil/Clay	10
7	Shale	17
3	Lime	20
38	Shale	58
14	Lime	72
15	Shale	87-Gas Odor
27	Lime	114-Winterset
7	Shale	121-Dark
19	Lime	140
4	Shale	144
4	Lime	148
1	Shale	149
6	Hertha	155
3	Shale	158
6	Sand	164-Oil, Good Bleed
164	Shale	328
10	Lime	338-Odor
10	Shale	348
2	Lime	350
10	Shale	360
6	Lime	366
3	Shale	369
1	Lime	370
12	Shale	382
8	Lime	RECEIVED 390
16	Shale	406
4	Lime	AUG 08 2010 410
6	Shale	416
3	Lime	KCC WICHITA 419
18	Shale	437
7	Lime	444
36	Shale	480
70	Sand	550-Brown, Little Oil
18	Shale	568
2	Lime	570
10	Shale	580
12	Sandy Shale	592
1	Lime	593
8	Sand	601-Broken
8	Sand	609-Sand

Miami County, KS
Well: Paulsen BI-8
Lease Owner: BDH, LLC

Town Oilfield Service, Inc.
(913) 837-8400

Commenced Spudding:
4/18/10

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Paulsen Farm: Miami County
KS State: Well No. BF-8
Elevation 947
Commenced Spuding 4-18 2010
Finished Drilling 4-19 2010
Driller's Name Jeff Town
Driller's Name Wes Dollard
Driller's Name _____
Tool Dresser's Name Tyler White
Tool Dresser's Name _____
Tool Dresser's Name _____
Contractor's Name TOS
31 16 24

(Section)	(Township)	(Range)
Distance from <u>S</u> line,	<u>290</u>	ft.
Distance from <u>E</u> line,	<u>4800</u>	ft.

4 Sacks

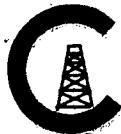
CASING AND TUBING RECORD

10" Set	_____	10" Pulled	_____
8" Set	_____	8" Pulled	_____
6 1/4" Set	<u>20</u>	6 1/4" Pulled	_____
4" Set	_____	4" Pulled	_____
2 7/8" Set	<u>700.7</u>	2" Pulled	_____
	<u>690.0</u>		738 TD
	to Baffle		

CASING AND TUBING MEASUREMENTS

- 1 -

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CONSOLIDATED
Oil Well Services, LLC

REMIT TO
Consolidated Oil Well Services, LLC
Dept. 970
P.O. Box 4346
Houston, TX 77210-4346

MAIN OFFICE
P.O. Box 884
Chanute, KS 66720
620/431-9210 • 1-800/467-8676
FAX 620/431-0012

INVOICE

Invoice # 233849

Invoice Date: 04/22/2010 Terms:

Page 1

BLUE DIAMOND HOLDINGS, LLC
P.O. BOX 128
WELLSVILLE KS 66092
() -

PAULSEN BI-8
22604
SW 31-16-24 MI
04/19/2010
KS

Part Number	Description	Qty	Unit Price	Total
1124	50/50 POZ CEMENT MIX	97.00	9.5500	926.35
1118B	PREMIUM GEL / BENTONITE	172.00	.1700	29.24
1111	GRANULATED SALT (50 #)	215.00	.3200	68.80
1110A	KOL SEAL (50# BAG)	510.00	.4000	204.00
4402	2 1/2" RUBBER PLUG	1.00	23.0000	23.00
1143	SILT SUSPENDER SS-630, ES	.50	37.2500	18.63
1401	HE 100 POLYMER	.50	45.7500	22.88

	Description	Hours	Unit Price	Total
369	80 BBL VACUUM TRUCK (CEMENT)	2.50	96.00	240.00
495	CEMENT PUMP	1.00	900.00	900.00
495	EQUIPMENT MILEAGE (ONE WAY)	30.00	3.55	106.50
495	CASING FOOTAGE	701.00	.00	.00
510	MIN. BULK DELIVERY	1.00	305.00	305.00

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Parts:	1292.90	Freight:	.00	Tax:	84.70	AR	2929.10
Labor:	.00	Misc:	.00	Total:	2929.10		
Sublt:	.00	Supplies:	.00	Change:	.00		

Signed _____ Date _____



PO Box 884, Chanute, KS 66720
620-431-9210 or 800-467-8676

TICKET NUMBER 22604

LOCATION Ottawa KS

FOREMAN Fred Mader

FIELD TICKET & TREATMENT REPORT

CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY	
4/19/10	1133	Paulsen # BI-8	SW 31	16	24	MI	
CUSTOMER		Blue Diamond Holdings LLC P. O. Box 128 Wellsville KS 66092	TRUCK #	DRIVER	TRUCK #	DRIVER	
MAILING ADDRESS			506	Fred	Safety Mfg		
CITY			495	Casey	CK		
STATE			510	Derek	AM		
ZIP CODE		369	Chuck	CWL			
JOB TYPE		HOLE SIZE	5 5/8	HOLE DEPTH	710'	CASING SIZE & WEIGHT	2 7/8" EUE
CASING DEPTH		DRILL PIPE	2 7/8	TUBING	Bottle R. 670'	OTHER	
SLURRY WEIGHT		SLURRY VOL		WATER gal/sk		CEMENT LEFT in CASING	2 1/2" Plug
DISPLACEMENT		DISPLACEMENT PSI		MIX PSI		RATE	4 BPM

REMARKS: Establish circulation. Mix + Pump 1/2 Gal EVA-41 + 1/2 Gal HE-100 Polymer Flush. Circulate from pit to condition hole for 1 HR. Mix + Pump 102 SKS 50/50 Por Mix Cement 2% Gel 5% Salt ~~50/50~~ 5# Kol Seal per sack. Cement to Surface. Flush pump + lines clean. Displace 2 1/2" Rubber Plug to casing TD w/ 3.9 BBL Fresh water. Pressure to 750# psi. Release pressure to set float valve. Shut in casing.

TOWS Drilling

Fred Mader

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
5401	1	PUMP CHARGE Cement Pump		900.00
5406	30 mi	MILEAGE Pump Truck	106.50	
5402	70'	Casing footage	N/C	
5407	Minimum	Ton Miles	305.00	
5502c	2 1/2 hrs	80 BBL Vac Truck	240.00	

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1124	97 SKS	50/50 Por Mix	AUG 16 2010	926.35
1118B	172 #	Premium Gel		29.24
1111	215 #	Granulated Salt	KCC WICHITA	68.80
1110#	51 #	Kol Seal		204.00
4402	1	2 1/2" Rubber Plug		23.00
1143	1/2 Gal	ESA-41		23.00
1401	1/2 Gal	HE-100 Polymer		15.63
				22.88
				84.70

Ravin 3737

AUTHORIZATION

TITLE

6.50%

SALES TAX

ESTIMATED

TOTAL

DATE

29.29.10



MIDWEST SURVEYS
LOGGING - PERFORATING - CONSULTING SERVICES
P.O. Box 68, Osawatomie, KS 66064
913 / 755 - 2128

GAMMA RAY / NEUTRON / CCL

File No. API # 15-121-28762	Company	Blue Diamond Holdings, LLC					
	Well	Paulsen No. BI-8					
	Field	Paola - Rantoul					
	County	Miami	State	Kansas			
	Location	290' FSL & 4800' FEL SE-SW-SW-SW			Other Services		
	Sec. 31	Twp. 16s	Rge. 24e	Elevation K.B. NA D.F. NA G.L. NA			
	Permanent Datum	GL	Elevation				
	Log Measured From	GL	NA				
	Drilling Measured From	GL					
	Date	6-04-2010					
Run Number	One						
Depth Driller	738.0						
Depth Logger	665.0						
Bottom Logged Interval	664.0			RECEIVED			
Top Log Interval	20.0			AUG 06 2010			
Fluid Level	Full						
Type Fluid	Water						
Density / Viscosity	NA						
Salinity - PPM Cl	NA						
Max Recorded Temp	NA						
Estimated Cement Top	0.0						
Equipment No.	Location	107	Osawatomie				
Recorded By	Steve Windisch						
Witnessed By	Doug Evans						
RUN	BORE-HOLE RECORD			CASING RECORD			
	No.	BIT	FROM	TO	SIZE	WGT.	FROM
One	9.875"	0.0	20.0	7.0"		0.0	23.0
Two	5.625"	20.0	738.0	2.875"		0.0	700.7
				Baffle	Set	At	670.0