

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

ORIGINAL

Form ACO-1
October 2008
Form Must Be Typed

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

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
Wellsite Geologist: None
Purchaser: Kelly L. Maclaskey Oilfield Services, Inc.

Designate Type of Completion:
 New Well Re-Entry Workover
 Oil SWD SLOW
 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 _____
 Commingled Docket No.: _____
 Dual Completion Docket No.: _____
 Other (SWD or Enhr.?) Docket No.: _____
4/19/10 4/20/10 4/20/10
Spud Date or Date Reached TD Completion Date or Recompletion Date

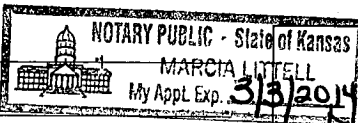
API No. 15 - 121-28761-0000
Spot Description: _____
SW SE SW SW Sec. 31 Twp. 16 S. R. 24 East West
300 Feet from North / South Line of Section
4480 Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Miami
Lease Name: Paulsen Well #: BI-7
Field Name: Paola-Rantoul
Producing Formation: Cattleman
Elevation: Ground: 935 (est) Kelly Bushing: NA
Total Depth: 718.0' Plug Back Total Depth: 669.0'
Amount of Surface Pipe Set and Cemented at: 25.0' Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set: _____ Feet
If Alternate II completion, cement circulated from: 700.0'
feet depth to: surface w/ 96 108 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: [Signature]
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

AH2-Dlg - 8/12/10

Operator Name: Blue Diamond Holdings, LLC Lease Name: Paulsen Well #: BI-7
 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 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>(Attach Additional Sheets)</i> Samples Sent to Geological Survey <input type="checkbox"/> Yes <input checked="" 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 <i>(Submit Copy)</i> List All E. Logs Run: Gamma Ray/Neutron/CCL	<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:60%;">Name</td> <td style="width:20%;">Top</td> <td style="width:20%;">Datum</td> </tr> <tr> <td>Cattleman</td> <td>582</td> <td>+353 est</td> </tr> </table>	Name	Top	Datum	Cattleman	582	+353 est
Name	Top	Datum					
Cattleman	582	+353 est					

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	25.0'	50/50 Poz	3 sx	See Service Co. Ticket
Production	5 5/8"	2 7/8"	NA	700.0'	50/50 Poz	96 sx	See Service Co. Ticket

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
3 spf	582.0 to 612.0 - 93 perfs - 2" DML RTG		
		RECEIVED AUG 06 2010 KCC WICHITA	

TUBING RECORD: Size: _____ Set At: _____ Packer At: _____		Liner Run: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
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 <i>(If vented, Submit ACO-18.)</i>	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-7
 Lease Owner: BDH, LLC

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

Commenced Spudding:
 4/19/10

WELL LOG

Thickness of Strata	Formation	Total Depth
16	Soil/Clay	16
28	Shale	44
13	Lime	57
16	Shale	73
26	Lime	99
7	Shale	106
22	Lime	128
2	Shale	130
3	Lime	133
3	Shale	136
9	Hertha	145
2	Shale	147
7	Sand	154-Oil
161	Shale	315
10	Lime	325
5	Shale	330
1	Lime	331
4	Shale	335
6	Lime	341
6	Shale	347
4	Lime	351
16	Shale	367
6	Lime	373
20	Shale	393
3	Lime	396
28	Shale	424
5	Lime	429
14	Shale	443
2	Lime	445
16	Shale	461
2	Lime	463-Gas Cap
78	Sand	541-Brown, Little Bleed
38	Shale	579
3	Sand	582-Broken
7	Sand	589-Solid, Oil
4	Lime	593-White
19	Sand	612-Solid
6	Sandy Shale	618-No Show
100	Shale	718-TD

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 KCC WICHITA



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 # 233855

Invoice Date: 04/22/2010 Terms:

Page 1

BLUE DIAMOND HOLDINGS, LLC
P.O. BOX 128
WELLSVILLE KS 66092
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PAULSEN BI-7
22628
SW 31-16-24 MI
04/20/2010
KS

Part Number	Description	Qty	Unit Price	Total
1124	50/50 POZ CEMENT MIX	96.00	9.5500	916.80
1118B	PREMIUM GEL / BENTONITE	216.00	.1700	36.72
1110A	KOL SEAL (50# BAG)	540.00	.4000	216.00
1111	GRANULATED SALT (50 #)	270.00	.3200	86.40
4402	2 1/2" RUBBER PLUG	1.00	23.0000	23.00
1401	HE 100 POLYMER	.50	45.7500	22.88
1143	SILT SUSPENDER SS-630, ES	.50	37.2500	18.63

Description	Hours	Unit Price	Total
368 CEMENT PUMP	1.00	900.00	900.00
368 EQUIPMENT MILEAGE (ONE WAY)	30.00	3.55	106.50
368 CASING FOOTAGE	700.00	.00	.00
503 MIN. BULK DELIVERY	1.00	305.00	305.00

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Parts:	1320.43	Freight:	.00	Tax:	86.50	AR	2718.43
Labor:	.00	Misc:	.00	Total:	2718.43		
Sublt:	.00	Supplies:	.00	Change:	.00		

Signed _____ Date _____



CONSOLIDATED
Oil Well Services, LLC

TICKET NUMBER 22628

LOCATION Ottawa/KI

FOREMAN Jim Green

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

FIELD TICKET & TREATMENT REPORT
CEMENT

BI 7

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
4-20-10	1133	SWK # <u>BE 7 Paulsen</u>	31	16	24	MI
CUSTOMER <u>Blue Diamond Holding LLC</u>			TRUCK #	DRIVER	TRUCK #	DRIVER
MAILING ADDRESS <u>PO Box 128</u>			389	Jim Gre		
CITY <u>Wellsville</u>			368	Ala Mad		
STATE <u>KI</u>			303	Art McD		
ZIP CODE <u>66092</u>						

JOB TYPE Longstring HOLE SIZE 5 7/8" HOLE DEPTH 718 CASING SIZE & WEIGHT 2 3/8"
 CASING DEPTH 669' 70" DRILL PIPE _____ TUBING _____ OTHER _____
 SLURRY WEIGHT _____ SLURRY VOL _____ WATER gal/sk _____ CEMENT LEFT in CASING _____
 DISPLACEMENT _____ DISPLACEMENT PSI _____ MIX PSI _____ RATE _____

REMARKS: Establish Circulation Mix and pump 1/2 GAL ESA-41 & 1/2 GAL HE-100
Polymer Flush. Circulate from pt to condensation hole for 1HR. Mix and
pump 108 SKS 50/50 por mix cement 2% GAL 5% SALT, 5" Kol-Seal
Cement to surface. Flush pump clear of cement. Pump 2 1/2" rubber
plug to total depth of casing with fresh water pressure to 750 PSI
Well held good. Release pressure to set float. Shut in casing.

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
5401	One	PUMP CHARGE <u>Cement Pump</u>		900
5406	30mi.	MILEAGE <u>Pump Tk</u>		106.50
5402	700	<u>Casing footage</u>		N/C
5407	M.M	<u>Bulk Tk Ton Mileage</u>		305
		<u>Customer Supply HOV</u>		N/C
1124	96 SKS	<u>50/50 por mix cement</u>		916.80
1118B	B 2 1/2"	<u>Premium Seal</u>		36.72
1100A	540"	<u>Kol-Seal</u>		216.00
1111	270"	<u>Granulated Salt</u>		86.40
4402	One	<u>2 1/2" Rubber Plug</u>		23.00
MD1	1/2 GAL	<u>HE 100 Polymer</u>		22.00
1143	1/2 GAL	<u>ESA-41</u>		18.63
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		<u>AUG 06 2010</u>		
		<u>KCC WICHITA</u>		
		<u>WO# 233855</u>		
		SALES TAX		86.50
		ESTIMATED TOTAL		2719.43

Ravin 3737

AUTHORIZATION

[Signature]

TITLE

DATE 4-20-10