

**KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION**

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 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 _____
 Commingled Docket No.: _____
 Dual Completion Docket No.: _____
 Other (SWD or Enhr.?) Docket No.: _____
5/4/10 5/5/10 5/5/10
Spud Date or Recompletion Date Date Reached TD Completion Date or Recompletion Date

API No. 15 - 121-28757-0000
Spot Description: _____
SE NW SE SW Sec. 31 Twp. 16 S. R. 24 East West
930 Feet from North / South Line of Section
3620 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-3
Field Name: Paola-Rantoul
Producing Formation: Cattleman
Elevation: Ground: 945 (est) Kelly Bushing: NA
Total Depth: 718.0' Plug Back Total Depth: 669.0'
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: 700.0'
feet depth to: surface w/ 99 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
AF 2-DG-8/13/10
RECEIVED
KANSAS CORPORATION COMMISSION
AUG 09 2010

Operator Name: Blue Diamond Holdings, LLC Lease Name: Paulsen Well #: BI-3
 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 Name Top Datum Cattleman 602 +343 est
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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	3 sx	See Service Co. Ticket
Production	5 5/8"	2 7/8"	NA	700.0'	50/50 Poz	99 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 (Amount and Kind of Material Used)	Depth
3 spf	602.0 to 622.0 - 62 perms - 2" DML RTG		
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		CONSERVATION DIVISION WICHITA, KS	
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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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 # 234204

Invoice Date: 05/13/2010 Terms:

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BLUE DIAMOND HOLDINGS, LLC
P.O. BOX 128
WELLSVILLE KS 66092
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PAULSEN BI-3
26859
SW 31-16-24 MI
05/05/2010
KS

Part Number	Description	Qty	Unit Price	Total
1124	50/50 POZ CEMENT MIX	99.00	9.5500	945.45
1118B	PREMIUM GEL / BENTONITE	187.00	.1700	31.79
1111	GRANULATED SALT (50 #)	233.00	.3200	74.56
1110A	KOL SEAL (50# BAG)	555.00	.4000	222.00
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
495 CEMENT PUMP	1.00	900.00	900.00
495 EQUIPMENT MILEAGE (ONE WAY)	30.00	3.55	106.50
495 CASING FOOTAGE	700.00	.00	.00
510 MIN. BULK DELIVERY	1.00	305.00	305.00

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WICHITA, KS

Parts:	1338.31	Freight:	.00	Tax:	87.66	AR	2737.47
Labor:	.00	Misc:	.00	Total:	2737.47		
Sublt:	.00	Supplies:	.00	Change:	.00		

Signed _____ Date _____

BARTLESVILLE, OK
918/338-0808

ELDORADO, KS
316/322-7022

EUREKA, KS
620/583-7664

GILLETTE, WY
307/686-4914

McALESTER, OK
918/426-7667

OTTAWA, KS
785/242-4044

THAYER, KS
620/839-5269

WORLAND, WY
307/347-4577



CONSOLIDATED
Oil Well Services, LLC

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

TICKET NUMBER 26859

LOCATION Ottawa KS

FOREMAN Fred Ma der

FIELD TICKET & TREATMENT REPORT
CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
5/5/10	1133	Paulsen # 87.3	SW 31	16	24	Mi
CUSTOMER Blue Diamond Holdings						
MAILING ADDRESS P.O. Box 128						
CITY Wellsville		STATE KS	ZIP CODE 66092			
			TRUCK #	DRIVER	TRUCK #	DRIVER
			495	Fred	Safety Mtg	
			510	Derek	D.M.	

JOB TYPE Longstring HOLE SIZE 5 7/8 HOLE DEPTH 718 CASING SIZE & WEIGHT 2 7/8 EUE
 CASING DEPTH 700 DRILL PIPE Baffle TUBING 669' OTHER _____
 SLURRY WEIGHT _____ SLURRY VOL _____ WATER gal/sk _____ CEMENT LEFT In CASING 2 7/8" Plug
 DISPLACEMENT 3.9 BBL DISPLACEMENT PSI _____ MIX PSI _____ RATE 48 BPM

REMARKS: Establish circulation. Mix + Pump 1/2 Gal ESA-41 + 1/2 Gal HE-100 Polymer Flush. Circulate from pit to condition hole. Mix + Pump 11 BKS 50/50 for 220 Gal 5% Salt 5" Kal Seal per sack Cement to surface. Flush pump + line clean. Displace 2 7/8" Rubber Plug to casing w/ Baffle w/ 3.9 BBL Fresh water. Pressure to 700# PSI. Release pressure to set float valve. Shut in casing

Town Oil Supplied water

Fuel Made

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	700'	Casing footage		N/C
5407	Minimum	Ton Miles.		305 ⁰⁰
1124	99 sks	50/50 Por. Mix Cement		945 ⁴⁵
1118B	187*	Premium Gel		31 ⁷⁹
1111	233*	Granulated Salt		74 ⁵⁶
1110A	555*	Kal Seal		222 ⁰⁰
4402	1	2 7/8" Rubber Plug		28 ⁰⁰
1143	1/2 Gal	ESA-41		18 ⁶³
1401	1/2 Gal	HE-100 Polymer		22 ⁰⁸
		<u>NO # 237204</u>		
			6.55%	SALES TAX 87 ⁶⁰
				ESTIMATED TOTAL 2737 ⁴⁷

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CONSERVATION DIVISION
WICHITA, KS

AUTHORIZATION NO Co. Rep. on Site TITLE _____ DATE _____

I acknowledge that the payment terms, unless specifically amended in writing on the front of the form or in the customer's account records, at our office, and conditions of service on the back of this form are in effect for services identified on this form.