

CONFIDENTIAL

ORIGINAL

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

Form ACO-1  
September 1999  
Form Must Be Typed

9/09/10

Operator: License # 32294  
 Name: OSBORN ENERGY, LLC **KCC**  
 Address: 24850 FARLEY **SEP 09 2008**  
 City/State/Zip: BUCYRUS, KS 66013  
 Purchaser: AKAWA NATURAL GAS, LLC **CONFIDENTIAL**  
 Operator Contact Person: JEFF TAYLOR  
 Phone: ( 913 ) 533-9900  
 Contractor: Name: OSBORN ENERGY, LLC  
 License: 32294  
 Wellsite Geologist: Curstin Hamblin **CONFIDENTIAL**  
 Designate Type of Completion:  
 New Well  Re-Entry  Workover **SEP 09 2008**  
 Oil  SWD  SIOW  Temp. Abd. **KCC**  
 Gas  ENHR  SIGW  
 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./SWD  
 Plug Back \_\_\_\_\_ Plug Back Total Depth \_\_\_\_\_  
 Commingled \_\_\_\_\_ Docket No. \_\_\_\_\_  
 Dual Completion \_\_\_\_\_ Docket No. \_\_\_\_\_  
 Other (SWD or Enhr.?) \_\_\_\_\_ Docket No. \_\_\_\_\_  

<u>8/14/2008</u>	<u>8/18/2008</u>	<u>8/26/2008</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 121-28643-0000  
 County: Miami  
 \_\_\_\_\_ SW \_\_\_\_\_ NW Sec. 3 Twp. 16 S. R. 25  East  West  
2970 feet from (S) N (circle one) Line of Section  
4950 feet from (E) W (circle one) Line of Section  
 Footages Calculated from Nearest Outside Section Corner:  
 (circle one) NE (SE) NW SW  
 Lease Name: Kalcic Well #: 4-3  
 Field Name: Louisburg  
 Producing Formation: MARMATON AND CHEROKEE  
 Elevation: Ground: 1083 Kelly Bushing: \_\_\_\_\_  
 Total Depth: 629 Plug Back Total Depth: \_\_\_\_\_  
 Amount of Surface Pipe Set and Cemented at 21.37' Feet  
 Multiple Stage Cementing Collar Used?  Yes  No  
 If yes, show depth set \_\_\_\_\_ Feet  
 If Alternate II completion, cement circulated from 0  
 feet depth to 619 w/ 132 sx cmt.  
 Drilling Fluid Management Plan Att II NH 11-25-08  
 (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: Curstin Hamblin  
 Title: Geologist Date: 9.9.08  
 Subscribed and sworn to before me this 9th day of September,  
 2008.  
 Notary Public: Jane Brewer  
 Date Commission Expires: \_\_\_\_\_

**Jane Brewer**  
 Notary Public  
 State of Kansas  
 My Commission Expires 3-23-11

**KCC Office Use ONLY**  
 Letter of Confidentiality Received  
 If Denied, Yes  Date: \_\_\_\_\_  
 Wireline Log Received  
 Geologist Report Received  
 UIC Distribution  
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Operator Name: OSBORN ENERGY, LLC Lease Name: Kalcic Well #: 4-3  
 Sec. 3 Twp. 16 S. R. 25  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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>(Submit Copy)</i>  List All E. Logs Run:	<input type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample  Name Top Datum    <div style="text-align: center;">                     KCC                      SEP 09 2008                      CONFIDENTIAL                 </div>
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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	13"	10 3/4"		21.37'	PORTLAND	3 sacks	WATER
PRODUCTION	9 1/4"	7"		619'	50/50 poz	132	premium gel

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

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

Disposition of Gas  Vented  Sold  Used on Lease *(If vented, Submit ACO-18.)*

METHOD OF COMPLETION

Open Hole  Perf.  Dually Comp.  Commingled \_\_\_\_\_  
 Other (Specify) \_\_\_\_\_

Production Interval

CONSOLIDATED OIL WELL SERVICES, INC.  
 P.O. BOX 884, CHANUTE, KS 66720  
 620-431-9210 OR 800-467-8676

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TICKET NUMBER 16372  
 LOCATION Ottawa  
 FOREMAN Alan Madry

TREATMENT REPORT & FIELD TICKET  
 CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
8-26-08	6073	Kalcic # 4-3-16-24	3	14	24	M:

  

CUSTOMER	TRUCK #	DRIVER	TRUCK #	DRIVER
Osborn	516	Alan M		
	368	Bill Z		
	510	Brian J		

MAILING ADDRESS: 24850 Furley  
 CITY: Bucyrus STATE: KS ZIP CODE: 66013  
 JOB TYPE: long string HOLE SIZE: 9 3/4 HOLE DEPTH: 640 CASING SIZE & WEIGHT: 7"  
 CASING DEPTH: 625 DRILL PIPE: \_\_\_\_\_ TUBING: \_\_\_\_\_ OTHER: \_\_\_\_\_  
 SLURRY WEIGHT: \_\_\_\_\_ SLURRY VOL: \_\_\_\_\_ WATER gal/sek: \_\_\_\_\_ CEMENT LEFT in CASING: yes  
 DISPLACEMENT: 26 DISPLACEMENT PSI: \_\_\_\_\_ MIX PSI: \_\_\_\_\_ RATE: 46 gpm

REMARKS: Checked casing depth. Mixed & pumped 200# gel to flush hole followed by 20 bbl dye marker. Mixed & pumped 135 sx 50/50 pop 250 gal. Circulated dye. Flushed pump. Pumped plug to casing ID. Well held 600 RST. Set float.

Customer supplied water.

Alan Madry

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
5401	1	PUMP CHARGE	368	925.00
5406	—	MILEAGE	368	—
5402	625'	casing footage	368	—
5407A		ten mileage	510	272.16
1183	227#	gel		38.59
1124	132 sx	50/50 pop		1287.00
4409	1	7" rubber plug		71.00
				2599.75

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SALES TAX 91.81  
 ESTIMATED TOTAL 2691.62

AUTHORIZATION [Signature]

TITLE 225239

DATE \_\_\_\_\_

## Geological Report

### Kalcic # 4-3

2970 FSL, 4950 FEL  
Section 3-T16S-R25E  
Miami Co., Kansas  
API# 15-121-28643-0000  
Elevation: 1083' GL  
Drilling Contractor: Osborn Energy, L.L.C (Lic. # 32294)  
Spud: 8/14/2008  
Production Bore Hole: 9 1/4"  
Rotary Total Depth: 629 on 8/18/2008  
Drilling Fluid: air  
Surface Csg.: 10 3/4" set to 20'  
Production Csg.: 7" set to 619.27'  
Geologist: Curstin Hamblin  
Driller: Brian Schwab

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<u>Formation</u>	<u>Driller Log Tops</u>	<u>Datum</u>
Stark Shale	234-237'	849
Hushpuckney Shale	261-263'	822
Base Kansas City	280'	803
Knobtown Sand	No call	
Carbonaceous Zone in Tacket Fm.	No call	
"Big Lake" Sand	No call	
South Mound Zone	455-457'	628
Hepler (Wayside) Sand	No call	
"Upper" Mulberry Zone	No call	
Mulberry Zone	472'	611
Weiser Sand	no call	
Myrick Station	508-513'	
Anna Shale (Lexington Coal Zone)	516-517'	567
Peru Sand	No call	
Summit Shale Zone	548-553'	535
Mulky Coal/Shale Zone	576-579'	506
Squirrel Sand		
Rotary Total Depth	629'	

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Drilling at 177' in the Kansas City on 8/18/2008 at 7:15am  
Background Gas (BG) 8.5 units  
The winterset gave up some water, but we are still drilling dry

178-187: LS: white/grey, SS: grey, fine grained, SH: grey, gummy  
188-197: SH: grey, gummy, LS: white  
198-207: SH: grey, gummy, LS: dk grey  
208-217: LS: grey, white  
218-227: LS: white, grey

**STARK FORMATION** driller called @ 234', gas kick of 72 units over BG  
**\*\*GAS TEST @237', 16 MCF open flow \*\***

236: no gas in the samples  
228-237: SH: black, LS: white  
Connection gas kick of over 1000 units  
238-247: LS: white/grey  
248-257: LS: white/grey  
Connection gas of 1696 units over bg

**HUSHPUCKNEY SHALE** Geologist called @261', kick of 470 units over BG  
**\*\*GAS TEST @277', 58 MCF, 74 open flow, 74 total\*\***

263: no gas in the samples  
258-267: LS: white/grey, SH: black  
268-277: LS: white/grey, SH: grey, gummy  
No noticeable increase in water  
Connection gas of 880 units over bg  
278-287: SH: grey, gummy, pyrite, LS: tan  
288-297: SS: grey, very fine grained, gummy  
298-307: SS: grey, fine grained, some medium grained, still gummy  
Gas kick of 40 units at 312'  
308-317: SS: fine to medium grained, some pyrite  
Connection gas of 1500 units  
318-327: SS: grey, fine grained, gummy  
328-337: SS: very fine grained, mixed with grey shale  
**\*\*GAS TEST @337', 2-4 MCF, 76-78 MCF open flow, 78 MCF Total\*\***  
338-347: SS: dk grey, medium grained  
348-357: SH: grey, gummy, mixed with some very fine grained ss  
358-367: SS: grey, fine grained, SH: grey, gummy  
368-377: SS: grey, fine grained, SH: grey, gummy  
378-387: SH: grey, gummy  
388-397: SS: grey, fine grained, some black shale  
398-407: SS: grey, very fine grained, SH: grey, gummy  
408-417: SS: grey, very fine grained, SH: grey, gummy  
We stopped drilling for about an hour, and when we returned, the hole was still dry, so we are still drilling dry.  
418-427: SH: grey, gummy, SS: grey, very fine grained  
428-437: SH: grey, SS: very fine grained, gummy  
438-447: SH: grey, gummy

**SOUTH MOUND ZONE** Geologist called @455', gas kick of 520 units over BG  
**\*\*GAS TEST @457', 28 MCF, 106 MCF open flow, 106 Total\*\***

448-457: SH: grey, dk grey, some black  
458-467: SH: grey, gummy, black, 10%  
468-477: SH: grey, gummy, sandy, Coal: 10% (Mulberry)

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**\*\*GAS TEST @477' , 0 MCF, 65 MCF open flow, 106 Total\*\***

We have noticed some water, so we are now switching. There is just a little bit of water

478-487: SH: grey, black, some coal  
 488-497: SH: grey, sandy, gummy, some black  
 498-507: SH: grey, gummy, some coal

LEXINGTON COAL ZONE Geologist called @516', no noticeable gas kick

**\*\*GAS TEST @517' , 0 MCF, 41 MCF open flow, 106 MCF Total\*\***

508-517: LS: tan, some sand and some black shale  
 Good gas in the samples, less than 1 foot of black shale was mixed in with this limestone. The LS was tan and looked similar to the myrick station  
 Over 1000 units in connection gas  
 518-527: LS: white, SS: grey, fine grained <5%, SH: grey, some black, some coal  
 528-537: LS: white/lt grey, SH: 5%, grey  
 Connection gas kick of 1816 units  
 538-547: SH: grey, gummy, LS: white/tan, SS: grey, fine grained

SUMMIT SHALE ZONE Geologist called @548', kick of 20 units over BG

**\*\*GAS TEST @557' , 0 MCF, 38 MCF open flow, 106 MCF Total \*\***

Summit gave up some water  
 550: good to very good gas in the samples  
 548-557: SH: black, LS: dk grey  
 Connection gas of 1776 units  
 558-567: LS: lt grey, some black shale  
 568-577: SH: grey, gummy, LS: grey

MULKY COAL/SHALE ZONE Geologist called @576', kick of 280 units over BG

**\*\*GAS TEST @597' , 6 MCF, 44 open flow, 112 MCF Total \*\***

577: very good gas in the samples, especially the coal. Also lots of pyrite  
 578-587: SH: black, lots of coal, some pyrite, grey shale  
 588-597: SH: grey, Coal 50%, SS: grey 10%

SQUIRREL SAND Geologist called @

**\*\*GAS TEST @617' , 0 MCF, 38 open flow, 112 MCF Total \*\***

598-607: SS: grey/brown, very fine grained  
 608-617: SS: brown/grey, medium grained

Total Rotary Depth, 629

**\*\*GAS TEST @ ' , MCF Total \*\***

## Summary:

Stark:	16 MCF
Hushpuckney:	58 MCF, 74 total open flow
South Mound:	28, 106 total open flow
Lexington:	0 MCF, 41 open flow
Summit:	0 MCF, 38 open flow
Mulky:	6 MCF, 112 total, 44 open flow
Total:	112 MCF

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Structural comparison of wells in the area

	Kalcic 4 1083		Kalcic 6 1014		Niebaum 8 1089		Truman 1 1078	
	Top	datum	top	datum	top	datum	top	datum
Stark	234	849	178	836	246	843	240	838
Hushpuckney	261	822	210	804	272	817	268	810
BCK	280	803	227	787	291	798	285	793
SM	457	626	398	616	460	629	458	620
Lex:	516	567	461	553	---	---	511	567
Summit	548	535	505	509	563	526	548	530
Mulky	576	507	533	481	589	500	574	504

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