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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
Address: 24850 FARLEY
City/State/Zip: BUCYRUS, KS 66013
Purchaser: AKAWA NATURAL GAS, LLC
Operator Contact Person: JEFF TAYLOR
Phone: (913) 533-9900
Contractor: Name: OSBORN ENERGY, LLC
License: 32294
Wellsite Geologist: Curstin Hamblin
Designate Type of Completion:
New Well Re-Entry Workover
Oil SWD SIOW Temp. Abd.
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.
8/19/2008 8/20/2008 8/26/2008
Spud Date or Date Reached TD Completion Date or Recompletion Date

API No. 15 - 121-28645-0000
County: Miami
S2 SE NE NW Sec. 3 Twp. 16 S. R. 25 East West
4195 feet from (S) N (circle one) Line of Section
2970 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 #: 7-3
Field Name: Louisburg
Producing Formation: MARMATON AND CHEROKEE
Elevation: Ground: 1019 Kelly Bushing:
Total Depth: 590' Plug Back Total Depth:
Amount of Surface Pipe Set and Cemented at 21' 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 449 w/ 78 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: 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 RECEIVED
UIC Distribution KANSAS CORPORATION COMMISSION
SEP 12 2008

CONSERVATION DIVISION
WICHITA, KS

Operator Name: OSBORN ENERGY, LLC Lease Name: Kalcic Well #: 7-3  
 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;"> <p><b>KCC</b>  <b>SEP 09 2008</b>  <b>CONFIDENTIAL</b></p> </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'	PORTLAND	3 sacks	WATER
PRODUCTION	7 7/8"	5 1/2"		449	50/50 poz	78 sacks	premium gel
Liner	7 7/8"	4"		set 158'			

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 checked="" type="checkbox"/> Yes <input 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 Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio Gravity

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 WICHITA, KS

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 <input type="checkbox"/> Other (Specify) _____
Production Interval _____	

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

*Handwritten initials and date: KCC, M, 9/10/08*

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TICKET NUMBER 16369  
LOCATION Ottawa  
FOREMAN Bill Zabel

TREATMENT REPORT & FIELD TICKET  
CEMENT

DATE	CUSTOMER #	WELL NAME & NUMBER	SECTION	TOWNSHIP	RANGE	COUNTY
8-26-08	6073	Kalcic #7-3-1604	3	16	24	Mi

  

CUSTOMER	TRUCK #	DRIVER	TRUCK #	DRIVER
Osborn Energy	368	Bill Z		
Mailing Address	237	Arlen M		
24850 Farley	516	Aken M		

  

CITY	STATE	ZIP CODE
Bucyrus	KS	66013

JOB TYPE fill up HOLE SIZE 1 7/8 HOLE DEPTH 600' CASING SIZE & WEIGHT 5 1/2  
CASING DEPTH 540 DRILL PIPE \_\_\_\_\_ TUBING 3/4" - 504' OTHER \_\_\_\_\_  
SLURRY WEIGHT \_\_\_\_\_ SLURRY VOL \_\_\_\_\_ WATER gal/sk \_\_\_\_\_ CEMENT LEFT in CASING \_\_\_\_\_  
DISPLACEMENT \_\_\_\_\_ DISPLACEMENT PSI \_\_\_\_\_ MIX PSI \_\_\_\_\_ RATE 2 bpm

REMARKS: Established rate. Mixed & pumped 75 or 50 50  
pdz 2070 gal. Circulated down 34" and filled annulus  
to surface. Pulled 34 out and topped off with  
cement.  
80.5x total

Customer supplied water

*Handwritten signature: X Bill Zabel*

ACCOUNT CODE	QUANTITY or UNITS	DESCRIPTION of SERVICES or PRODUCT	UNIT PRICE	TOTAL
5401	1	PUMP CHARGE	368	925.00
5406	240	MILEAGE	368	144.00
5402	540'	casing footage	368	-
5407A		ten mileage	337	161.28
1118 B	134 #	gel		22.78
1124	76.5x	50 150 pdz		710.20
				2015.56
				51.30

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SCANNED

AUTHORIZATION *[Signature]*

TITLE 225227

SALES TAX 6.55  
ESTIMATED TOTAL 2066.86  
DATE \_\_\_\_\_

## Geological Report

Kalcic # 7-3

4195 FSL, 2970 FEL  
Section 3-T16S-R25E  
Miami Co., Kansas  
API# 15-121-28645  
Elevation: 1019' GL  
Drilling Contractor: Osborn Energy, L.L.C (Lic. # 32294)  
Spud: 8/18/2008  
Production Bore Hole: 7 7/8"  
Rotary Total Depth: 590'  
Drilling Fluid: air  
Surface Csg.: 10 3/4" set to 20'  
Production Csg.: 5 1/2" set to 449.18'  
Geologist: Curstin Hamblin  
Driller: Mike Glaze

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<u>Formation</u>	<u>Driller Log Tops</u>	<u>Datum</u>
Stark Shale	173-176'	846
Hushpuckney Shale	205-207'	814
Base Kansas City	225'	794
Knobtown Sand	Not well developed	
Carbonaceous Zone in Tacket Fm.	No call	
"Big Lake" Sand	'	
South Mound Zone	396-399'	623
Hepler (Wayside) Sand	No call	
"Upper" Mulberry Zone	No call	
Mulberry Zone	No call	
Weiser Sand	431'	588
Myrick Station	454-455'	
Anna Shale (Lexington Coal Zone)	456-460'	563
Peru Sand	No call	
Summit Shale Zone	504-508'	515
Mulky Coal/Shale Zone	535-539'	484
Squirrel Sand	560'	
Rotary Total Depth	590'	

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Drilling at 165' in the Kansas City on 8/19/2008  
Background Gas (BG) 21.3 units

**STARK FORMATION** driller called @ 173', gas kick of 4 units over BG  
**\*\*GAS TEST @190', 0 MCF, no open flow\*\***

Drilling with water, stark gave up some water  
166-175: SH: grey, black  
175: poor gas in the samples  
176-185: SH: black, grey, gummy  
Connection gas of 21 units  
186-195: LS: 90%, white/lt grey, SH: black and grey  
196-205: LS: 90% white/lt grey, SH: black

**HUSHPUCKNEY SHALE** Geologist called @ 205', kick of 4 units over BG  
**\*\*GAS TEST @215', 0 MCF, no open flow\*\***

206: very poor gas in the samples  
206-215: LS: grey, SH: black  
Connection gas of 25 units  
216-225: SH: grey, dk grey, black, LS: 20%, white  
226-235: SS: grey, gummy, fine grained  
236-245: SH: grey, SS: grey, very fine grained, some Pyrite  
246-255: SS: grey, very fine to fine grained, some Pyrite  
256-265: SS: fine grained, grey  
266-275: SS: grey, very fine grained  
276-285: SH: grey, silty, SS: very fine grained  
286-295: SS: dk grey, fine grained  
296-305: SS: grey, very fine grained, shaley, Pyrite  
306-315: SS: grey/dk grey fine grained  
316-325: SH: grey, some silty  
326-335: SH: grey, dk grey-limey, crinoid stems  
336-345: SH: grey, silty, SS: grey, medium grained, small amt. of coal  
4:34pm, stopped drilling at 351. Need a new fuel pump  
346-355: SS: grey, fine grained to medium grained  
356-365: SS: grey, fine grained  
366-375: SS: grey, very fine grained  
376-385: SS: grey, shaley, fine grained  
390: very dk grey shale, almost black, no gas  
386-395: SH: dk grey, grey, black

**SOUTH MOUND ZONE** Geologist called @ 396', gas kick of 23 units over BG  
**\*\*GAS TEST @415', 0 MCF, no open flow\*\***

395: some black shale, good gas in samples  
396-405: SH: grey/green, black  
406-415: LS: white/tan, 80%, SH: green/grey  
409-415: LS, solid  
416-425: LS: tan, SH: grey  
424: LS: solid  
426: gas kick of 55 units over bg  
426-435: LS: white/pink (426-430) SS: grey

**WEISER SAND**

436-445: LS: white/pink, SS: grey, medium grained, SH: dk grey  
446-455: SH: grey, gummy, LS: 454-455

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\*\*\*the Lexington came in 10' above where I thought it would. It is also 10' structurally lower than Kalcic 6

**LEXINGTON COAL ZONE** Geologist called @456', kick of 180 units over BG

**\*\*GAS TEST @465', 16 MCF, 16 open flow, 16 MCF Total\*\***

\*\*\* I thought the open flow would be better since there was such a large gas kick. We may have a leak somewhere

456: Gas kick of 180 units

457: Shale and coal, good to very good gas in the samples

456-465: Black Shale, coal, LS: tan, SS: grey, medium grained, SH: grey

Connection gas over 1000 units over bg

466-475: LS: (473), SH: grey, coal, pyrite

476-485: LS: 475-483: white/pink, SH: grey

486-495: LS: white/pink, SH: 494: grey

**SUMMIT SHALE ZONE** Geologist called @504', no noticeable gas kick

**\*\*GAS TEST @515', 0 MCF, small surges up to 16 MCF open flow, 16 MCF Total \*\***

506: black shale/coal, fair gas in the samples

496-505: SH: grey, black, some coal, some Pyrite

506-515: SH: grey, black

Connection gas of 584 units over bg

516-525: SH: grey, SS: grey, medium grained (10%)

**MULKY COAL/SHALE ZONE** Geologist called @535', kick of 120 units over BG

**\*\*GAS TEST @540', 6 MCF, surging up to 22 open flow, 22 Total \*\***

Mulky is making quite a bit of water

526-535: SH: grey, limey

536: good gas in the samples, not extraordinary

536-545: SH: black, SS: dk grey, limey, fine grained

546-555: SH: black, some coal, SS: dk grey, limey

556-565: SS: grey, medium to large grained, coal

Connection gas over 1000 units

All 25' of samples came out at once

566-575: SS: grey, medium grained, coal

576-585: SH: grey gummy, SS: medium grained, coal

**SQUIRREL SAND** Geologist called @560'

**Total Rotary Depth, 590**

**\*\*GAS TEST @590', surges up to 22 MCF open flow, 22 MCF Total \*\***

Summary:

Stark: 0 MCF

Hushpuckney: 0 MCF

South Mound: 0 MCF

Lexington: 16 MCF

Summit: 0 MCF, 16 open flow

Mulky: 6 MCF, surging up to 22 MCF open flow

Total: 22 MCF

Structural comparisons of wells in the area

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	Kalcic 7-3 1019		Kalcic 6 1014		Biddle 3 1021	
	Top	datum	top	datum	top	datum
Stark:	173	846	178	836	157	864
Hushpuckney:	205	814	210	804	184	837
BKC:	225	794	227	787	202	819
South Mound:	396	623	398	616	369	652
Lexington:	456	563	461	553	432	589
Summit:	504	515	505	509	475	536
Mulky:	535	484	533	481	498	523

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