

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

RECEIVED ORIGINAL
DEC 10 2010
KCC WICHITA
Form ACO-1
June 2009
Form Must Be Typed
Form must be Signed
Blanks must be Filled

OPERATOR: License # 31327
Name: Pauley Oil
Address 1: 314 5th Street
Address 2: _____
City: Clafin State: KS Zip: 67525 + _____
Contact Person: Gary Pauley
Phone: (785) 252-8024
CONTRACTOR: License # 33350
Name: Southwind Drilling INC.
Wellsite Geologist: James C. Musgrove
Purchaser: NCRA

Designate Type of Completion:
 New Well Re-Entry Workover
 Oil WSW SWD SIOW
 Gas D&A ENHR SIGW
 OG GSW Temp. Abd.
 CM (Coal Bed Methane)
 Cathodic Other (Core, Expl., 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
 Conv. to GSW
 Plug Back: _____ Plug Back Total Depth _____
 Commingled Permit #: _____
 Dual Completion Permit #: _____
 SWD Permit #: _____
 ENHR Permit #: _____
 GSW Permit #: _____

5-14-2010	5-19-2010	7-13-2010
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 053-21244-00-00
Spot Description: _____
N2 SE NW NW Sec. 28 Twp. 17 S. R. 10 East West
750 Feet from North / South Line of Section
990 Feet from East / West Line of Section

Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Ellsworth
Lease Name: Schepmann A Well #: 5

Field Name: Bloomer
Producing Formation: Arbuckle
Elevation: Ground: 1815 Kelly Bushing: 1824
Total Depth: 3395 Plug Back Total Depth: 3395
Amount of Surface Pipe Set and Cemented at: 323 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set: _____ Feet
If Alternate II completion, cement circulated from: _____
feet depth to: _____ w/ _____ sx cnt.

Drilling Fluid Management Plan
(Data must be collected from the Reserve Pit)
Chloride content: _____ ppm Fluid volume: _____ bbls
Dewatering method used: Air Dry and Backfill
Location of fluid disposal if hauled offsite: _____
Operator Name: _____
Lease Name: _____ License #: _____
Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West
County: _____ Permit #: _____

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.

AFFIDAVIT

I am the affiant and I hereby certify that 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: owner Date: 12-1-10

KCC Office Use ONLY

Letter of Confidentiality Received
Date: _____
 Confidential Release Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution
ALT I II III Approved by: Dig Date: 12/16/10

Operator Name: Pauley Oil Lease Name: Schepmann A Well #: 5
 Sec. 28 Twp. 17 S. R. 10 East West County: Ellsworth

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 complete copy of all Electric Wire-line Logs surveyed. Attach final geological well site report.

Drill Stem Tests Taken <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Attach Additional Sheets)</i> Samples Sent to Geological Survey <input checked="" type="checkbox"/> Yes <input 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 Electric Log Submitted Electronically <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>(If no, Submit Copy)</i> List All E. Logs Run: Dual Compensated Porosity, Dual Induction, Microresistivity Log	<input type="checkbox"/> Log Formation (Top), Depth and Datum <input checked="" 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>Topeka</td> <td>2591</td> <td>-767</td> </tr> <tr> <td>Lansing</td> <td>2976</td> <td>-1152</td> </tr> <tr> <td>Conglomerate</td> <td>3258</td> <td>-1434</td> </tr> <tr> <td>Arbuckle</td> <td>3282</td> <td>-1458</td> </tr> </table>	Name	Top	Datum	Topeka	2591	-767	Lansing	2976	-1152	Conglomerate	3258	-1434	Arbuckle	3282	-1458
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Lansing	2976	-1152														
Conglomerate	3258	-1434														
Arbuckle	3282	-1458														

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	12 1/4	8 5/8	20 lbs/ft	323	Common	180	3%cc 2%gel
Production String	7 7/8	5 1/2	15.5 lbs/ft	3386	Common	150	10%sa 5%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
4/foot	3304-3306	500 gallon 15%acid	3304

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TUBING RECORD: Size: <u>2 7/8</u> Set At: <u>3315</u> Packer At: _____		Liner Run: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Date of First, Resumed Production, SWD or ENHR. <u>July 16, 2010</u>		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. <u>6</u>	Gas Mcf <u>30</u>	Water Bbls. <u>30</u>
Gas-Oil Ratio		Gravity <u>35</u>	

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 <i>(Submit ACO-5)</i> <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTERVAL: <u>3304-3306</u>
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QUALITY OILWELL CEMENTING, INC.

Phone 785-483-2025
Cell 785-324-1041

Home Office P.O. Box 32 Russell, KS 67665

Russell" No. 3950

Date	Sec.	Twp.	Range	County	State	On Location	Finish
5-14-10	28	17	10	Ellsworth	KS		2:45 PM
Lease	Well No.		Location				
Sheppmann "A"	5		Clarlin 2E to K-156 N to WRD 1 3/4 E S into				
Contractor	Owner			To Quality Oilwell Cementing, Inc.			
Southwind #2				You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as listed.			
Type Job	T.D.		Charge To				
Surface job	323		Pauley OIL Co.				
Hole Size	Depth		Street				
12 1/4	323						
Csg. 8 5/8	Depth		City				
(use 23lb)	323		State				
Tbg. Size	Depth		The above was done to satisfaction and supervision of owner agent or contractor.				
			CEMENT				
Tool	Displace		Amount Ordered				
	19 1/2 bbls		180 com 30cc 2% gel				
Cement Left in Csg.	Shoe Joint		Common				
10-15 ft			180				
Meas Line	No.		Poz. Mix				
	1						
EQUIPMENT			Gel.				
Pumptrk	Cement Helper		3				
1	Brandon		3				
Bulktrk	Driver		6				
8	Doug						
Bulktrk	Driver		Calcium				
			3				
JOB SERVICES & REMARKS			Hulls				
Remarks:			Salt				
Cement D ₂ Circ ₀			Flowseal				
Thank You			Handling				
			189				
			Mileage				
			RECEIVED				
			DEC 10 2010				
			FLOAT EQUIPMENT				
			KCC WICHITA				
			Guide Shoe				
			Centralizer				
			Baskets				
			AFU Inserts				
			1-8 5/8 head & manifold				
			1-8 5/8 wood plug				
			Pumptrk Charge				
			Surface				
			Mileage				
			31				
Signature			Tax				
			Discount				
			Total Charge				

GENERAL TERMS AND CONDITIONS

DEFINITIONS: In these terms and conditions, "Quality" shall mean Quality Oilwell Cementing, Inc., and "Customer" shall refer to the party identified by that term on the front of this contract. As applicable, "Job" relates to the services described on the front side of this contract, "merchandise" refers to the material described on the front of this contract and to any other materials, products, or supplies used, sold, or furnished under the requirements of this contract.

– **TERMS:** Unless satisfactory credit has been established, "CUSTOMER" must tender full cash payment to "QUALITY" before the job is undertaken or merchandise is delivered. If satisfactory credit has been established, the terms of payment for the job and/or merchandise, including bulk cement, are net cash, payable in 30 days from the completion of the job and/or delivery of the merchandise. For all past due invoices, "CUSTOMER" agrees to pay interest on amounts invoiced at a rate of 18 percent per annum until paid. Notwithstanding the foregoing in no event shall this Contract provide for interest exceeding the maximum rate of interest that "CUSTOMER" may agree to pay under applicable law. If any such interest should be provided for, it shall be and hereby is deemed to be a mistake, and this contract shall be automatically reformed to lower the rate of interest to the maximum legal contract rate, any amounts previously paid as excess interest shall be deducted from the amounts owing from the "CUSTOMER" or at the option of "QUALITY," refunded directly to "CUSTOMER." For purposes of this paragraph, QUALITY and CUSTOMER agree that KANSAS law shall apply. Any discounts granted with this contract are null and void if the charges are not paid when due.

– **ATTORNEY FEES:** In any legal action or proceeding between the parties to enforce any of the terms of this Service Contract, or in any way pertaining to the term of this Contract, the prevailing party shall be entitled to recover all expenses, including, but not limit to, a reasonable sum as and attorney's fees.

– **PRICES AND TAXES:** All merchandise listed in "QUALITY'S" current price schedule are F.O.B. QUALITY'S local station and are subject to change without notice. All prices are exclusive of any federal, state, local, or special taxes for the sale or use of the merchandise or services listed. The amount of taxes required to be paid by QUALITY shall be added to the quoted prices charged to CUSTOMER.

– **TOWING CHARGES:** QUALITY will make a reasonable attempt to get to and from each job site using its own equipment. Should QUALITY be unable to do so because of poor or inadequate road conditions, and should it become necessary to employ a tractor or other pulling equipment to get to or from the job site, the tractor or pulling equipment will be supplied by CUSTOMER or, if furnished by QUALITY, will be charged to and paid by CUSTOMER.

– **PREPARATION CHARGES:** If a job and/or merchandise is ordered and CUSTOMER cancels the order after preparation of a chemical solution or other material, CUSTOMER will pay QUALITY for the expenses incurred by QUALITY as a result of the cancellation.

– **DEADHAUL CHARGES:** Unless otherwise specified on the front of this Contract, a deadhaul charges as set forth in QUALITY'S current price book will be charged each way for each service unit which is ordered by CUSTOMER but not used.

– **SERVICE CONDITIONS AND LIABILITIES:** 1. QUALITY carries public liability and property damage insurance, but since there are so many uncertain and unknown conditions beyond QUALITY'S control, QUALITY shall not be liable for injuries to property or persons or for loss or damage arising from the performance of the job or delivery of the merchandise. Customer shall be responsible for and indemnify, defend, and hold harmless QUALITY, its officers, agents and employees, from and against any and all claims or suits for:

(A) Damage to property or for bodily injury, sickness, disease, or death, brought by any person, including CUSTOMER and/or the well owner; and:

(B) Oil spills, pollution, surface or sub-surface damage, injury to the well, reservoir loss, or damage arising from a well blowout arising out of or in connection with QUALITY'S performance of the job or furnishing of merchandise in accordance with this contract, unless such loss or damage is caused by the willful misconduct or gross negligence of QUALITY or its employees.

2. With respect to any of QUALITY'S tools, equipment, or instruments which are lost in the well or damaged when performing or attempting to perform the job or, in the case of marine operations, are lost or damaged at any time after delivery to the landing for CUSTOMER and before return to QUALITY at the landing, CUSTOMER shall either recover the lost item without cost to QUALITY or reimburse QUALITY the current replacement cost of the item unless the loss or damage results from the sole negligence of QUALITY or its employees.

3. QUALITY does not assume any liability or responsibility for damages or conditions resulting from chemical action in cements caused by contamination of water or other fluids.

WARRANTIES: 1. QUALITY warrants all merchandise manufactured or furnished by it to be free from defects in material and workmanship under normal use and service when installed, and used, and/or serviced in the manner provided and intended. QUALITY'S obligation under this warranty is expressly limited to repair replacement, or allowance for credit, at its option, for any merchandise which is determined by QUALITY to be defective. THIS IS THE SOLE WARRANTY OF QUALITY AND NO OTHER WARRANTY IS APPLICABLE, EITHER EXPRESS OR OTHERWISE IMPLIED, IN FACT OR IN LAW, INCLUDING ANY WARRANTY AS TO MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE, CUSTOMER'S sole and only remedy with regard to any defective merchandise shall be the repair or replacement thereof or allowance for credit as herein provided, and QUALITY shall not be liable for any consequential, special, incidental, or punitive damages resulting from or caused by defective materials, products or supplies.

2. More specifically:

(A) Nothing in this contract shall be construed as a warranty by QUALITY of the success or the effectiveness of the result of any work done or merchandise used, sold, or furnished under this contract.

(B) Nothing in this contract shall be construed as a warranty of the accuracy or correctness of any facts, information, or data furnished by QUALITY or any interpretation of test, meter readings, chart information, analysis or research, or recommendations made by QUALITY, unless the inaccuracy or incorrectness is caused by the willful misconduct or gross negligence of QUALITY or its employees in the preparation or furnishing of such facts, information or data. (C) Work done by QUALITY shall be under the direct supervision and control of the CUSTOMER or his agent and QUALITY will accomplish the job as an independent contractor and not as an employee or agent of the CUSTOMER.

QUALITY OILWELL CEMENTING, INC.

Phone 785-483-2025
Cell 785-324-1041

Home Office P.O. Box 32 Russell, KS 67665

No. 3834

Date	5-19-10	Sec.	28	Twp.	17	Range	10	County	Ellsworth	State	Kansas	On Location		Finish	11:00AM
Lease	Schepman A	Well No.	5			Location						K 49 R-156 3W 1 3/4 E S16			
Contractor	Sutherland Drilling Rigs				Owner		To Quality Oilwell Cementing, Inc. You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as listed.								
Type Job	Langstring				Charge To		Pawley Oil								
Hole Size	7 7/8				T.D.		3395								
Csg.	5 1/2 15.5D16				Depth		3386								
Tbg. Size					Depth										
Tool					Depth										
Cement Left in Csg.	41'				Shoe Joint		41'								
Meas Line					Displace		79 3/4 Bbl								

EQUIPMENT

Pumptrk	9	No.	Cementor	Steve	5
			Helper		
Bulktrk	8	No.	Driver	Mark	4
			Driver		
Bulktrk		No.	Driver	Doug	4
			Driver		

Cement Amount Ordered 150 Com 10% Salt
5% Gelite 500 Gal Mud CLR 48
Common 150
Poz. Mix
Gel.
Calcium
Hulls
Salt 18
Flowseal Gilsonite 750#
Kol-Seal
Mud CLR 48 500 gal
CFL-117 or CD110 CAF 38
Sand
Handling 168
Mileage 31

JOB SERVICES & REMARKS

Remarks:
Rat Hole 30sx
Mouse Hole
Centralizers 1, 2, 3, 4, 5
Baskets
D/V or Port Collar
30sx Rat Hole

Land plug @ 1700 psi

Float Held

FLOAT EQUIPMENT

Guide Shoe 1
Centralizer 5 Turbo
Baskets
AFU Inserts 1
Float Shoe
Latch Down
1 Rubber Plug

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Signature: *[Handwritten Signature]*

Pumptrk Charge Prod Lang String
Mileage 31
Russell

Tax
Discount
Total Charge

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2. More specifically:

(A) Nothing in this contract shall be constructed as a warranty by QUALITY of the success or the effectiveness of the result of any work done or merchandise used, sold, or furnished under this contract.

(B) Nothing in this contract shall be construed as a warranty of the accuracy or correctness of any facts, information, or data furnished by QUALITY or any interpretation of test, meter readings, chart information, analysis or research, or recommendations made by QUALITY, unless the inaccuracy or incorrectness is caused by the willful misconduct or gross negligence of QUALITY or its employees in the preparation or furnishing of such facts, information or data. (C) Work done by QUALITY shall be under the direct supervision and control of the CUSTOMER or his agent and QUALITY will accomplish the job as an independent contractor and not as an employee or agent of the CUSTOMER.