



KANSAS CORPORATION COMMISSION 1048824
OIL & GAS CONSERVATION DIVISION

Form ACO-1
June 2009

Form Must Be Typed
Form must be Signed
All blanks must be Filled

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

OPERATOR: License # 6039
Name: L.D. Drilling, Inc.
Address 1: 7 SW 26TH AVE
Address 2:
City: GREAT BEND State: KS Zip: 67530 + 6525
Contact Person: L. D. DAVIS
Phone: (620) 793-3051
CONTRACTOR: License # 5822
Name: Val Energy, Inc.
Wellsite Geologist: THOMAS FUNK/ KIM SHOEMAKER
Purchaser:

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 #:
07/03/2010 07/14/2010 07/29/2010
Spud Date or Date Reached TD Completion Date or Recompletion Date

API No. 15 - 15-063-21841-00-00
Spot Description:
SW NW SW Sec. 31 Twp. 14 S. R. 29 East West
1,650 Feet from North / South Line of Section
330 Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Gove
Lease Name: DARREL Well #: 1-31
Field Name: LUNDGREN
Producing Formation: MISSISSIPPI
Elevation: Ground: 2697 Kelly Bushing: 2700
Total Depth: 4465 Plug Back Total Depth: 4430
Amount of Surface Pipe Set and Cemented at: 262 Feet
Multiple Stage Cementing Collar Used? Yes No
If yes, show depth set: 2139 Feet
If Alternate II completion, cement circulated from:
feet depth to: w/ sx cmt.

Drilling Fluid Management Plan
(Data must be collected from the Reserve Pit)
Chloride content: 4000 ppm Fluid volume: 0000 bbls
Dewatering method used: Evaporated
Location of fluid disposal if hauled offsite:
Operator Name:
Lease Name: License #:
Quarter Sec. Twp. S. R. East West
County: Permit #:

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.

Submitted Electronically

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: Deanna Garrison Date: 01/04/2011



1048824

Operator Name: L.D. Drilling, Inc. Lease Name: DARREL Well #: 1-31
 Sec. 31 Twp. 14 S. R. 29 East West County: Gove

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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(If no, Submit Copy)</i> List All E. Logs Run: Attached	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample <table style="width:100%; border: none;"> <tr> <td style="width:60%; border: none;">Name</td> <td style="width:20%; border: none;">Top</td> <td style="width:20%; border: none;">Datum</td> </tr> <tr> <td style="border: none;">Attached</td> <td style="border: none;">Attached</td> <td style="border: none;">Attached</td> </tr> </table>	Name	Top	Datum	Attached	Attached	Attached
Name	Top	Datum					
Attached	Attached	Attached					

CASING RECORD <input checked="" 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	12.25	8.625	24	262	PREMIUM PLUS	250	1%CC, 50#CF
PRODUCTION-BOTTOM STAGE	7.865	4.5	10.5	4464	60/40 POZMIX	200	
PRODUCTION-TOP STAGE	7.865	4.5	10.5	4464	A-CON	400	

ADDITIONAL CEMENTING / SQUEEZE RECORD				
Purpose:	Depth Top Bottom	Type of Cement	# Sacks Used	Type and Percent Additives
___ Perforate				
___ Protect Casing				
___ Plug Back TD				
___ 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
2	4363 - 4370'	1000 gal 15% HCL NE FE Acid	

TUBING RECORD: Size: <u>2.375</u> Set At: <u>4426</u> Packer At: _____		Liner Run: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Date of First, Resumed Production, SWD or ENHR. <u>07/30/2010</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.	Gas Mcf
		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 <i>(Submit ACO-5) (Submit ACO-4)</i> <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTERVAL: _____ _____
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Form	ACO1 - Well Completion
Operator	L.D. Drilling, Inc.
Well Name	DARREL 1-31
Doc ID	1048824

All Electric Logs Run

DUAL COMPENSATED POROSITY LOG
DUAL INDUCTION LOG
MICRORESISTIVITY LOG
RADIATION GUARD LOG
SONIC CEMENT BOND LOG BY LOG-TECH
SONIC CEMENT BOND LOG BY TIGER WIRELAINE SERVICE

Form	ACO1 - Well Completion
Operator	L.D. Drilling, Inc.
Well Name	DARREL 1-31
Doc ID	1048824

Tops

Name	Top	Bottom
ANHYDRITE	2107	+593
BASE ANHYDRITE	2137	+563
HEEBNER SHALE	3705	-1005
LANSING	3740	-1040
MUNCIE CREEK SHALE	3906	-1206
STARK SHALE	3990	-1290
MARMATON	4087	-1387
PAWNEE	4177	-1477
FORT SCOTT	4238	-1538
CHEROKEE SHALE	4266	-1566
MISSISSIPPIAN	4346	-1646
RTD	4465	-1665
LTD	4364	-1664



BASIC ENERGY SERVICES

PRESSURE PUMPING & WIRELINE

1700 S. Country Estates Rd.
P.O. Box 129
Liberal, Kansas 67905
Phone 620-624-2277

FIELD SERVICE TICKET

1717 00846 A

DATE _____ TICKET NO. _____

DATE OF JOB: 7-2-10		DISTRICT: Liberal		NEW WELL <input checked="" type="checkbox"/> OLD WELL <input type="checkbox"/>		PROD <input type="checkbox"/> INJ <input type="checkbox"/> WDW <input type="checkbox"/>		CUSTOMER ORDER NO.:	
CUSTOMER: L D Drillings				LEASE: Darrel		WELL NO. 1-31			
ADDRESS:				COUNTY: Gove		STATE: Ks			
CITY:				STATE:		SERVICE CREW: Arrington / Lopez / Stegmann			
AUTHORIZED BY: Jerry Bennett				JOB TYPE: 242 8 3/4 Surface					
EQUIPMENT#	HRS	EQUIPMENT#	HRS	EQUIPMENT#	HRS	TRUCK CALLED	DATE	AM/PM	TIME
30464	3					7-2-10	7-2-10	PM	20:30
12919	3						7-3-10	PM	0:15
14355	3						7-3-10	PM	2:06
14284	3						7-3-10	PM	2:40
						RELEASED	7-2-10	PM	3:00
							MILES FROM STATION TO WELL	100	

CONTRACT CONDITIONS: (This contract must be signed before the job is commenced or merchandise is delivered).

The undersigned is authorized to execute this contract as an agent of the customer. As such, the undersigned agrees and acknowledges that this contract for services, materials, products, and/or supplies includes all of and only those terms and conditions appearing on the front and back of this document. No additional or substitute terms and/or conditions shall become a part of this contract without the written consent of an officer of Basic Energy Services LP.

SIGNED: [Signature]
(WELL OWNER, OPERATOR, CONTRACTOR OR AGENT)

ITEM/PRICE REF. NO.	MATERIAL, EQUIPMENT AND SERVICES USED	UNIT	QUANTITY	UNIT PRICE	\$ AMOUNT
CL 110	Premium Plus Cement	SK	200		3260 00
CC 102	Celloflake	lb	50		185 00
CC 109	Calcium Chloride	lb	376		394 80
CF 153	Wooden Cement Plus 8 3/4"	EA	1		160 00
E 101	Heavy Equipment Mileage	Mi	200		1400 00
CE 240	Blending & Mixing	SK	200		280 00
E 113	Proppant & Bulk Delivery	fm	940		1504 00
CE 200	Depth Charge 0'-500'	4hrs	1		1000 00
CE 504	Plug Container	job	1		250 00
E 100	Pickup Mileage	Mi	100		425 00
SO03	Service Supervisor	EA	1		175 00

SUB TOTAL **5573 02**

SERVICE & EQUIPMENT	%TAX ON \$	
MATERIALS	%TAX ON \$	
TOTAL		

CHEMICAL / ACID DATA:			

SERVICE REPRESENTATIVE [Signature] THE ABOVE MATERIAL AND SERVICE ORDERED BY CUSTOMER AND RECEIVED BY [Signature]
(WELL OWNER OPERATOR CONTRACTOR OR AGENT)

FIELD SERVICE ORDER NO. _____

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energy services, L.P.

TREATMENT REPORT

Customer <i>LD Drilling</i>		Lease No.		Date	
Lease <i>Parcel</i>		Well # <i>1-31</i>		<i>7-2-10</i>	
Field Order # <i>171200846</i>	Station <i>Liberal</i>	Casing <i>8 7/8</i>	Depth <i>262</i>	County <i>Gove</i>	State <i>Ks</i>
Type Job <i>247 8 7/8 Surface</i>			Formation	Legal Description <i>31-14-29</i>	

PIPE DATA		PERFORATING DATA		FLUID USED		TREATMENT RESUME		
Casing Size	Tubing Size	Shots/Ft		Acid		RATE	PRESS	ISIP
<i>8 7/8</i>	<i>2 1/2</i>	From	To	Pre Pad		Max		5 Min.
Depth <i>262</i>	Volume <i>175</i>	From	To	Pad		Mif		10 Min.
Max Press <i>500</i>	Max Press	From	To	Frac		Avg		15 Min.
Well Connection <i>Head</i>	Annulus Vol.	From	To			HHP Used		Annulus Pressure
Plug Depth	Packer Depth	From	To	Flush		Gas Volume		Total Load

Customer Representative <i>Larry</i>			Station Manager <i>Jerry Bennett</i>			Treater <i>Jacob Arrington</i>		
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Service Units	<i>30464</i>	<i>19919</i>	<i>14355</i>	<i>14784</i>	<i>19820</i>			
Driver Names	<i>C. Lopez</i>	<i>M. Stegman</i>	<i>J. Arrington</i>					

Time	Casing Pressure	Tubing Pressure	Bbls. Pumped	Rate	Service Log
<i>0:15</i>					<i>Work</i>
<i>0:20</i>					<i>Safety Meeting</i>
<i>0:25</i>					<i>Rig up</i>
<i>2:06</i>					<i>Test Lines to 500</i>
<i>2:12</i>	<i>300</i>		<i>47</i>	<i>2.4</i>	<i>Pump 200 cks Premium Plus Co 14.3"</i>
<i>2:34</i>					<i>Drop Plug</i>
<i>2:35</i>	<i>200</i>		<i>15</i>	<i>4</i>	<i>Disp</i>
<i>2:40</i>	<i>200</i>				<i>Shut well in</i>
<i>2:41</i>					<i>Rig down</i>
<i>3:00</i>					<i>Leave loc</i>

Give 20 BBL TO Pit



BASICSM
ENERGY SERVICES
PRESSURE PUMPING & WIRELINE

10244 NE Hwy. 61
P.O. Box 8613
Pratt, Kansas 67124
Phone 620-672-1201

FIELD SERVICE TICKET
1718 1995 A

DATE _____ TICKET NO. _____

DATE OF JOB 7-15-10		DISTRICT KANSAS		NEW WELL <input checked="" type="checkbox"/> OLD WELL <input type="checkbox"/>		PROD <input type="checkbox"/> INJ <input type="checkbox"/> WDW <input type="checkbox"/>		CUSTOMER ORDER NO.:	
CUSTOMER L O Drilling Inc				LEASE Darrell		1-31		WELL NO.	
ADDRESS				COUNTY Gove 31-14-29 STATE KANS.					
CITY				STATE		SERVICE CREW A. Werth, J. melson, D. Phye, Edm, nd.			
AUTHORIZED BY				JOB TYPE: 4 1/2" 2-Stage L.S. C.M.W					
EQUIPMENT#	HRS	EQUIPMENT#	HRS	EQUIPMENT#	HRS	TRUCK CALLED	DATE	AM	TIME
28443 P.U.	1					7-14-10	7-14-10	AM	400
33708-20920	1 1/2					ARRIVED AT JOB	7-15-10	PM	530
19831-19832	1 1/2					START OPERATION	7-15-10	AM	1245
19860-19908	1 1/2					FINISH OPERATION	7-15-10	PM	1545
19907 P.U.	1					RELEASED	7-15-10	PM	1630
						MILES FROM STATION TO WELL	1.00 miles		

CONTRACT CONDITIONS: (This contract must be signed before the job is commenced or merchandise is delivered).

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SIGNED: _____
(WELL OWNER, OPERATOR, CONTRACTOR OR AGENT)

ITEM/PRICE REF. NO.	MATERIAL, EQUIPMENT AND SERVICES USED	UNIT	QUANTITY	UNIT PRICE	\$ AMOUNT
CP103	60/40 Por		200-SK		\$ 2400.00
CP101	A-CON Blend Common		400-SK		\$ 7200.00
CP103	60/40 Por		50-SK		\$ 600.00
CC111	SALT Fine		1799-lb		\$ 899.50
CC112	Cement Friction Reducer		86-lb		\$ 516.00
CC201	Gilsonite		1000-lb		\$ 670.00
CC102	cell Flake		100-lb		\$ 370.00
CC109	calcium Chloride		1128-lb		\$ 1184.40
CF400	Two Stage cat collar 4 1/2" Red		1-CA		\$ 4500.00
CF600	4 1/2" Latch Down Plug & Assembly Red		1-CA		\$ 720.00
CF1250	Auto Fill Float Shoe 4 1/2" Blue		1-CA		\$ 330.00
CF1600	Turbulizer 4 1/2" Blue		8-CN		\$ 680.00
CF1900	Basket 4 1/2" Blue		1-CN		\$ 270.00
CC704	CS-11 KCL Sub		1-gal		\$ 3.50
CC151	mud Flush		500-gal		\$ 430.00

SUB TOTAL

DLS

SERVICE & EQUIPMENT %TAX ON \$
MATERIALS %TAX ON \$

TOTAL

CHEMICAL / ACID DATA:			

SERVICE REPRESENTATIVE
Allen + Ward

THE ABOVE MATERIAL AND SERVICE ORDERED BY CUSTOMER AND RECEIVED BY
Jimmie A. [Signature]
(WELL OWNER OPERATOR CONTRACTOR OR AGENT)

FIELD SERVICE ORDER NO.



BASICSM
ENERGY SERVICES
PRESSURE PUMPING & WIRELINE

10244 NE Hwy. 61
P.O. Box 8613
Pratt, Kansas 67124
Phone 620-672-1201

FIELD SERVICE TICKET
1718 1996 A

DATE TICKET NO. 17181995A

DATE OF JOB 7-15-10 DISTRICT KANSAS	NEW WELL <input checked="" type="checkbox"/> OLD WELL <input type="checkbox"/> PROD <input type="checkbox"/> INJ <input type="checkbox"/> WDW <input type="checkbox"/> CUSTOMER ORDER NO.:
CUSTOMER L.O. Drilling INC.	LEASE Darrell 1-31 WELL NO.
ADDRESS	COUNTY Gove 31-14-29 STATE KANS.
CITY STATE	SERVICE CREW A. Werth, J. Melson, D. Phye <i>Edmunds</i>
AUTHORIZED BY	JOB TYPE: 4 1/2" 2-Stage L.S. C.N.W.
EQUIPMENT# HRS	TRUCK CALLED 7-15-10 DATE AM PM TIME 4:00
28443 P.U. 1	ARRIVED AT JOB 7-15-10 AM PM 5:30
33708 20920 1 1/2	START OPERATION 7-15-10 AM PM 12:45
19460 19918 1 1/2	FINISH OPERATION 7-15-10 AM PM 1:54
19831-19862 1 1/2	RELEASED 7-15-10 AM PM 1:30
19907 P.U. 1	MILES FROM STATION TO WELL 100-miles

CONTRACT CONDITIONS: (This contract must be signed before the job is commenced or merchandise is delivered).

The undersigned is authorized to execute this contract as an agent of the customer. As such, the undersigned agrees and acknowledges that this contract for services, materials, products, and/or supplies includes all of and only those terms and conditions appearing on the front and back of this document. No additional or substitute terms and/or conditions shall become a part of this contract without the written consent of an officer of Basic Energy Services LP.

SIGNED: _____
(WELL OWNER, OPERATOR, CONTRACTOR OR AGENT)

ITEM/PRICE REF. NO.	MATERIAL, EQUIPMENT AND SERVICES USED	UNIT	QUANTITY	UNIT PRICE	\$ AMOUNT
E100	Unit milenge charge		100-m.		\$ 425.00
E101	Heavy equip. milenge		300-m.		\$ 2100.00
E113	Bulk Del. Chg.		2955-7m		\$ 4728.00
CF205	Depth Chg. 4001-5000'		1-4hrs		\$ 2520.00
CF240	Bleeding + mixing service chg.		650-SK		\$ 910.00
CF504	Plug container utilization chg.		1-Job		\$ 250.00
CF203	Depth Chg. 2001-3000'		1-4hrs		\$ 1800.00
S003	Service Supervisor first 8hrs on loc.		1-en		\$ 175.00

CHEMICAL / ACID DATA:			

SERVICE & EQUIPMENT	%TAX ON \$	
MATERIALS	%TAX ON \$	
TOTAL		\$ 21239.13

SERVICE REPRESENTATIVE *Allen F. Werth* THE ABOVE MATERIAL AND SERVICE ORDERED BY CUSTOMER AND RECEIVED BY: *[Signature]*
(WELL OWNER OPERATOR CONTRACTOR OR AGENT)

FIELD SERVICE ORDER NO.

BASIC

energy services, L.P.

#1

TREATMENT REPORT

Bottom Stage

Customer L.D. Drilling Inc	Lease No.	Date
Lease Darrell	Well # 1-31	7-15-10
Field Order # 17181995A	Station Pratt	Casing 4 1/2"
Type Job 4 1/2" 2-stage	Formation cnw TO 4465'	Depth 4465'
		County Gove
		State KS
		Legal Description 31-14-29

PIPE DATA		PERFORATING DATA		FLUID USED		TREATMENT RESUME		
Casing Size 4 1/2"	Tubing Size	Shots/Ft	200 sks	Acid 60/40 Por.	Bottom	RATE	PRESS.	ISIP
Depth 4465'	Depth	From	To 400 sks	Pre Pad A-con - Top stage	Max			5 Min.
Volume 70 3/4 bbls	Volume	From	To 20 BBL	Pad 2% KCL	Min			10 Min.
Max Press 1300	Max Press	From	To 12 BBL	Frac mud Flush	Avg			15 Min.
Well Connection P.C.	Annulus Vol.	From	To 50 sks	60/40 Por.	MHP Used Plus R.H. & M.N.			Annulus Pressure
Plug Depth 4435'	Packer Depth	From	To	Flush water mud	Gas Volume			Total Load

Customer Representative	Station Manager scotty	Treater Allen F Werth
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Service Units	28843	33708	20920	19860	19918	19831	19860	19907
Driver Names	A. Werth	Joe	Melso	Dale	Phye	Edmundo	Gordley	

Time	Casing Pressure	Tubing Pressure	Bbls. Pumped	Rate	Notes
5:30 AM					Bottom Stage Service Log VAL #4 on loc. Setup + Plan Job. Discuss Safety
8:21					Rig lying down Drill Pipe. out of Hole - lay down Kelly + m H
10:10					Rig up To Run 4 1/2" casing 10.5' start 4 1/2" casing. Shoe Jt. 10'
					w/ FIDAT SHOE + L.D. Baffle in collar Cent 1-3-5-7-9-11-13-54
					Basket on Bot. 55 - DV Top 55 @ 2139
					Tag Bottom @ 4465 - Pickup To 4465'
12:00 PM					+ CIR w/ Rig.
12:45	200#		20	5	Pump 20 BBL 2% KCL
			12	5	Pump 12 BBL mud Flush
				6	Pump 3 BBL H ₂ O SPACER
				6	mix + Pump 200 sks 60/40 Por @ 15.4'
			42		Fin. mix wash out Pump + Line
10:5				6	Drop L.D. Plug. + Start Disp.
				6	40 BBLs H ₂ O + 30 3/4 BBLs mud.
				6	caught Lift + 49 BBLs out
11:5	1500#		70 3/4	4	Plug down - Plug R.H + m H 50 sks
	0#				Release PSI - OK - Drop opening
13:5	800#				open DV w/ P.t. - CIR w/ Rig.

Continued:

#2
TOP STAGE

Customer L.D. Drilling, Inc	Lease No.	Date 7-15-10
Lease Darrell	Well # 1-31	
Field Order # 12181995A	Station Pratt KS	Casing 4 1/2"
Type Job 4 1/2" Two Stage Long String	Depth DV 2139	County Gove
	Formation COW	State KS
		Legal Description 31-14-29

PIPE DATA		PERFORATING DATA		FLUID USED		TREATMENT RESUME		
Casing Size 1 1/2	Tubing Size	Shots/Ft 400 SKS		Acid A-con Blend	RATE 12 #/gal	PRESS	ISIP	
Depth 2139	Depth	From	To	Pre Pad	Max		5 Min.	
Volume 34	Volume	From	To	Pad	Min		10 Min.	
Max Press	Max Press	From	To	Frac	Avg		15 Min.	
Well Connection P.C.	Annulus Vol.	From	To		HHP Used		Annulus Pressure	
Plug Depth 2139	Packer Depth	From	To	Flush D.S.P H2O	Gas Volume		Total Load	

Customer Representative Larry	Station Manager scotty	Treater Allen F. Werth
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Service Units	Driver Names	Time	Casing Pressure	Tubing Pressure	Bbls. Pumped	Rate	Notes
28443	Werth, Joe, Nelson, Dale, Phye, Edmunds, Gordley	3:00 PM	100#			6	TOP STAGE Service Log VAL #4 Start mix 400SKS A-con Blend @ 12#/gal
					182		Finish mixing cement wash out Pump + Line.
		3:25	200#			10	Drop AV hatch Down Plug.
		3:35	2000#		34		Start Disp. (Good cir) Plug down (AV closed) Release PSI. 0# washup + Rack up Equip.
			0#				Job complete
							Cement did not circulate!
							Thanks Allen, Joe, Edmunds.

Thomas J. Funk
 Petroleum Geologist
 785-542-3359

Geologist's Report
 Drilling Time and Sample Log

OPERATOR L.D. Drilling, Inc.
 LEASE Darrel WELL NO #1-31
 FIELD Lundgren API 15-063-21841
 LOCATION 1650' FSL & 330' FWL
 SEC. 31 TWP. 14S RGE. 29W
 COUNTY Gove STATE Kansas

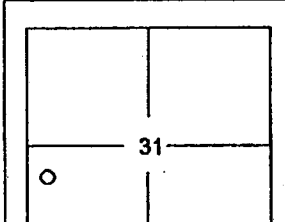
ELEVATION
 KB 2700
 DF
 GL 2695
 Measurements Are All
 From KB

CONTRACTOR Val Drlg Co, Rig #4
 COMM 7/3/2010 COMP 7/15/2010
 RTD 4465' LOG TD 4464'
 SAMPLES SAVED FROM 3400 TO TD
 DRILLING TIME KEPT FROM 3200 TO TD
 SAMPLES EXAMINED FROM 3400 TO TD
 GEOLOGICAL SUPERVISION FROM 3610 TO TD
 MUD UP 3100 TYPE MUD Chemical

CASING RECORD
 SURFACE
 8 5/8" at 262'KB w/200sx
 PRODUCTION
 4 1/2" at

FORMATION	LOG TOP DATUM	SAMPLE TOP DATUM	STRUCT COMP
Anhydrite	2107 (+593)	2111 (+589)	-3
B/Anhydrite	2137 (+563)	2141 (+559)	Flat
Heebner Sh	3705 (-1005)	3705 (-1005)	Flat
Lansing	3740 (-1040)	3740 (-1040)	+2
Muncie Crk Sh	3906 (-1206)	3907 (-1207)	-9
Stark Sh	3990 (-1290)	3992 (-1292)	-6
Marmaton	4087 (-1387)	4086 (-1386)	-6
Pawnee	4177 (-1477)	4181 (-1481)	-10
Fort Scott	4238 (-1538)	4238 (-1538)	-1
Cherokee Sh	4266 (-1566)	4266 (-1566)	-2
Mississippia	4346 (-1646)	4346 (-1646)	-6

ELECTRICAL SURVEYS
 Log Tech
 DIL MEL
 CDN/CNL RAG



Daily Progress		Bit Record						
Date	Depth	NO	Size	Make	Type	Depth Out	Feet	Hours
7/2/10	Spud	1	12 1/4"	Varel	RR	267	267	2
7/4/10	670'							
7/5/10	1885'	2	7 7/8"	JZ	RR	4234	3967	101
7/8/10	2780'	3	7 7/8"	JZ	RR	4465	231	12
7/7/10	3355'							
7/8/10	3785'							
7/9/10	3815'							
7/10/10	4117'							
7/11/10	4234'							
7/12/10	4340'							
7/13/10	4340'							
7/14/10	4364'							
7/15/10	4465' TD							

Remarks And Recommendations:
 Based upon log analysis, DST recovery, and sample examination it was recommended that casing be run for further testing of the #1-31 Darrel.

Thomas Funk
 Petroleum Geologist

LEGEND

- Dolomite
- Chert
- Limestone Ool Limestone
- Limestone Ool Limestone
- Carb Shale
- Shale
- Sandstone
- Salt

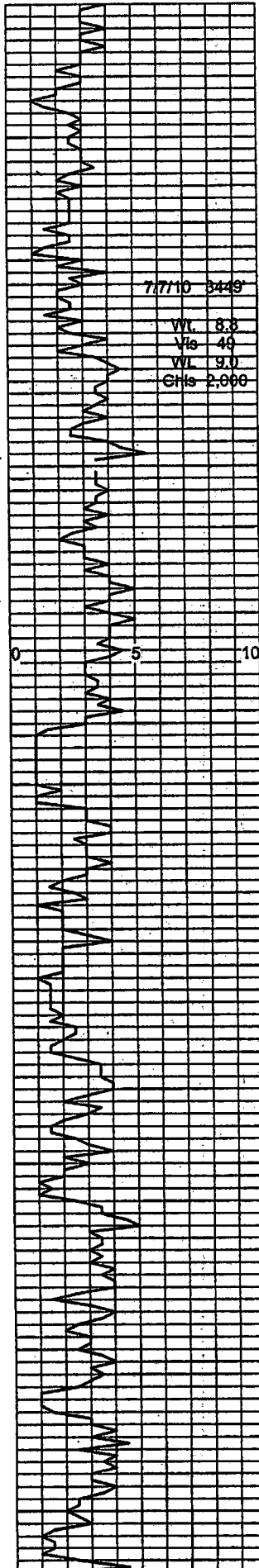
DRILLING TIME IN MINUTES

h

PER FOOT

Sample Descriptions

Remarks



Sh, gry, md-sft, sm slty

Sh, AA

LS, tn & gry, dns, v f-xln, mott in prt, blocky, tr foss

LS, tn, dns, v f-xln, hrd, foss in prt

LS, gry, dns, mott, v f-xln, argill

LS, lt gry, dns, micro-xln, mott in prt, tr foss -

LS, tn, f-xln, ool, foss frag, sm sft-chalky, pr vis por, NS

Sh, gry + LS, tn, f-xln, micro-ool, brittle

LS, tn, f-xln, gran, foss, md-sft, much cht

LS, crm-tn, f-xln, ool, chalky, sft, pr vis por

Sh, gry & tn, md-sft

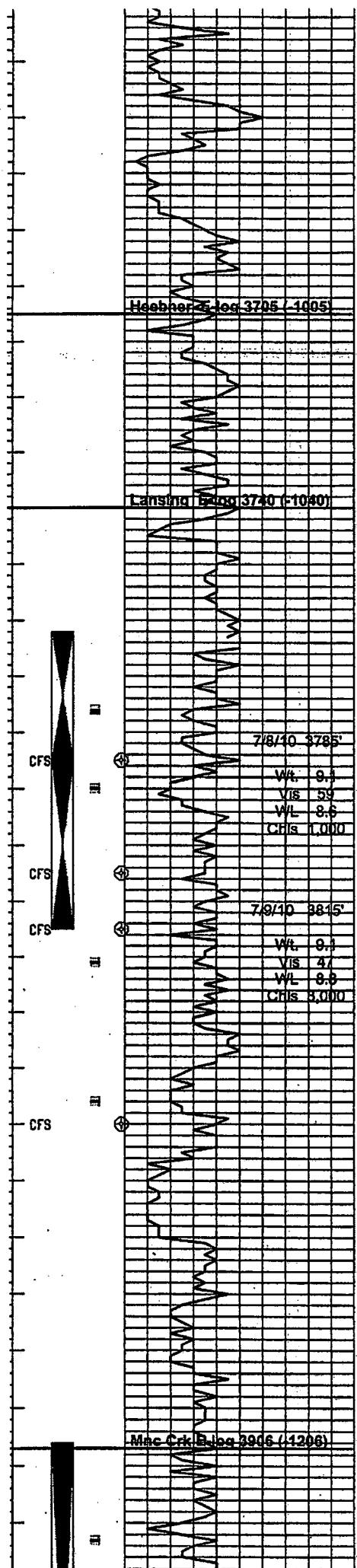
LS, tn, dns, v f-xln, sct foss frags, mott

Sh, lt gry, calc

LS, crm, f-xln, ool, chalky, pr vis por

LS, lt gry, dns, v f-xln, mott

LS, crm, f-xln, ool, sm chalky, fr oomold por, NS



LS, crm, f-xln, ool, sm chalky, fr moldic por, NS

LS, AA bec lt gry, mott, sm chalky

LS, gry, dns, micro-xln, blocky

LS, crm-tn, f-xln, dns, ool, sm chalky pr vis moldic por, NS

LS, lt gry, dns, v f-xln, blocky, tr foss

Heebner Log 3705 (1005)

Sh, blk, carb

Sh, tn, gry, and rd, md-sft

LS, crm-tn, f-xln, foss, tr ool, pr vis p pt por, NSFO, fw pcs w/blk stn

Lansing Log 3740 (1040)

Sh, lt gry, sft

LS, tn, f-xln, ool, brittle, sct moldic por, NSFO, no odor, v sct stn

LS, gry, dns, micro-xln, blocky, tr foss

Sh, gry & green

LS, crm-tn, f-xln, ool in prt, sm chty, brittle, sct moldic & int-ool por, SSFO, fr odor, sct sat stn, dull flour

7/8/10 3785'

Wt. 9.1
Vis 59
WL 8.6
CFls 1,000

LS, crm, f-xln, ool, sm v chalky, mushy sct moldic por, SSFO, fr odor, sct stn

LS, tn-crm, dns, v f-xln, tr foss

7/8/10 3845'

LS, tn, crm, f-xln, tr foss, chalky

LS, tn, v f-xln, foss, pr vis por, NSFO, sct stn

Sh, gry, md-sft

LS, crm f-xln, foss, tr ool, v chalky, pr vis moldic por, NSFO, sit odor, sct blk stn

Sh, lt gry

LS, crm-wht, f-xln, ool, v chalky, sft, fr moldic por, NS

LS, crm-lt tn, v f-xln, blocky, tr foss

LS, tn, dns, f-xln, chalky in prt, sft, tr foss

LS, AA bec lt gry, dns, mott, tr foss

LS, gry, dns, v f-xln, mott, tr foss, md-sft

Mac Crk Log 3906 (1206)

Sh, blk, carb

Sh, tn, marr, & gry

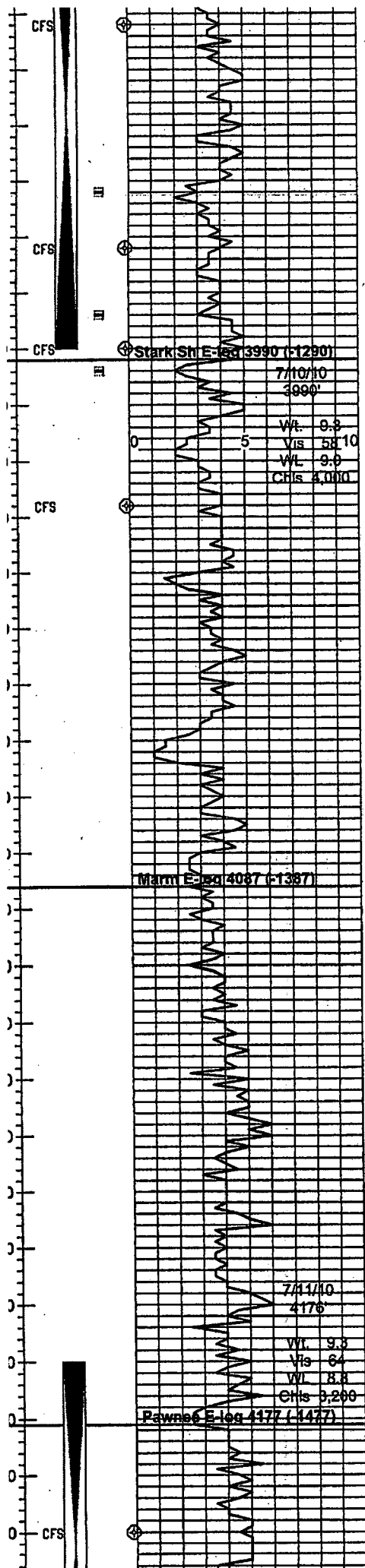
LS, crm-tn, f-xln, tr ool, sct foss frags, sm chalky, pr vis por, VSSFO, sft odor, pr vis

DST #1 3762-3785
 30"-45"-45"-60"
 Blow OBO in 2" on IFP
 Blow built to 9 inch on ISIP
 Blow OBO in 5" on FFP
 Blow built to 9 inch on FSIP
 REC: 400' GIP
 118' CO (35 deg grav corr API)
 155' GOWCM
 (6%g,7%o,38%w,49%m)
 124' SOCMW (2%o,71%w,27%m)
 744' SW (56,000 ppm chis)
 1141' Total Fluid
 IFP 56-342 ISIP 615
 FFP 354-528 FSIP 619
 IHP 1786 FHP 1776
 Temp: 131 deg F

Strap: 1.26 ft short
 Dev: 1/2 deg

DST #2 3785-3815
 30"-45"-45"-60"
 Weak blow built to 4 inches on IFP
 Weak blow built to 3 inches on FFP
 REC:
 5' CO (35 deg grav corr API)
 20' OCMW (2%o, 51%w, 47%m)
 62' MW (79%w, 21%m)
 87' Total Fluid Recovery
 Water Chis: 45,000ppm
 IFP 6-21 ISIP 664
 FFP 24-42 FSIP 643
 IHP 1792 FHP 1785
 Temp: 124 deg F

DST #3 3906-3990
 30"-30"-30"-30"
 Weak blow died in 21" on IFP
 No blow on FFP
 REC:
 10' Mud
 IFP 30-27 ISIP 559
 FFP 30-33 FSIP 518
 IHP 1891 FHP 1882
 Temp: 121 deg F



LS, tn, dns, v f-xln, blocky

Sh, gry & gm-gry

Sh, drk gry + LS, tn, dns, micro-xln, blocky, tr foss

LS, crm-tn, f-xln, micro-ool, brittle, sct int-ool por, SSFO, fr odor, pr vis stn, wk flour

LS, tn, dns, v f-xln, blocky, tr foss + Sh, gry, md-sft

LS, tn, dns, v f-xln, sct ool, tr foss, pr vis por, NSFO, no odor, v sct stn

Sh, blk, carb

LS, crm-lt tn, f-xln, foss in prt, tr ool, sm v chalky, pr vis por, NS

LS, tn, dns, v f-xln, blocky, tr foss, mott gry in prt

LS, lt gry, dns, v f-xln, blocky, tr foss

Sh, blk, carb

LS, tn, dns, v f-xln, foss in prt, blocky

LS, lt gry, dns, v f-xln, tr foss, mott

Dolo, tn & gry, v f-xln, dns, blocky, NS + Sh, gyr, silty

LS, lt gry, dns, v f-xln, tr foss, mott

Sh, gry

LS, tn, dns, micro-xln, ool in prt, brittle, NS

Sh, gry, silty

LS, gry, dns, micro-xln, hrd, chty in prt

LS, AA bec drk gry, mott

Sh, lt gry, sft

LS, gry, dns, mott, argill in prt, tr foss

LS, tn, dns, v f-xln, foss in prt, md-sft, no vis por.

Sh, drk gry

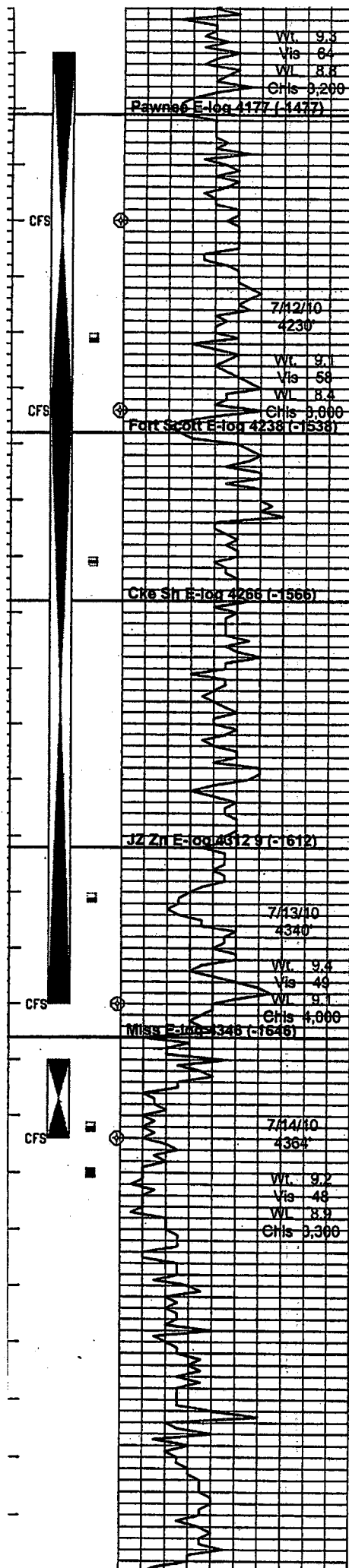
LS, gry, dns, mott, argill, tr foss

Sh, blk, carb

LS, tn, dns, v f-xln, blocky, tr foss, chty

LS, tn, f-xln, foss, gran in prt, pr vis p pt por, SSFO, v slit odor, pr vis stn

DST #4 4170-4234
 30"-45"-45"-60"
 Blow built to BOB in 3" on IFF
 Weak blow on ISP
 Blow built to BOB in 5" on FFP
 Blow built to 10 inches on FSP
 REC: 2200' GIP
 138' CO (37 deg grav corr API)
 155' GCMO (4%g, 80%o, 16%rn)
 124' GCMO (22%g, 58%o, 20%rn)
 417' Total Fluid
 IFF 34-88 ISIP 625
 FFP 108-165 FSIP 619
 IHP 2043 FHP 2037
 Temp: 134 deg F



Sh, drk gry

LS, gry, dns, mott, argill, tr foss

Sh, blk, carb

LS, tn, dns, v f-xln, blocky, tr foss, chty

LS, tn, f-xln, foss, gran in prt, pr vis p pt por, SSFO, v slit odor, pr vis stn

Sh, blk, carb

LS, tn, f-xln, foss, sm chty, sct moldic por. SSFO, fr odor, sct sat stn

Sh, blk, carb

LS, tn-bm, dns, v f-xln, tr ool, pr vis por, v sct drk stn

Sh, bm

LS, tn, f-xln, foss, mott in prt, sct moldic por, SSFO, slit odor, sct stn

Sh, blk, carb

Sh, bry + LS, tn-gry, dns, mott, foss, pr vis moldic por, NSFO, slit odor, pr vis stn

Sh, blk, flss

LS, lt gry, dns, micro-xln, brittle, tr foss

LS, tn, dns, foss in prt, mott

LS, tn, dns, f-xln, foss, mushy, fr moldic por, SSFO, fr odor, v sct stn

Sh, gry & yell., sft, sm sd gm inclus

LS, tn-gry, dns, v chty, hrd + Abt Cht, tn & gry, sb-opq, 75% frsh, fw weath pcs w/stn

Dolo, tn, f-xln, dns, blocky, hrd, fw pcs w/fr moldic por, SSFO, fr odor, sct stn

Dolo, tn-bm, dns, f to md-xln, fr to gd vug por, FSFO, gd odor, fr sat stn

Dolo, tn & gry, dns, v f-xln, sm w/ sct moldic por, SSFO, slit odor, sct stn

Dolo, gry, dns, blocky, tr cht, hrd

LS, gry, dns, dolo in prt, blocky, tr foss, NS

Dolo, gry & tn, dns, v f-xln, tr foss frags, pr vis por, NSFO, slit odor, v sct stn

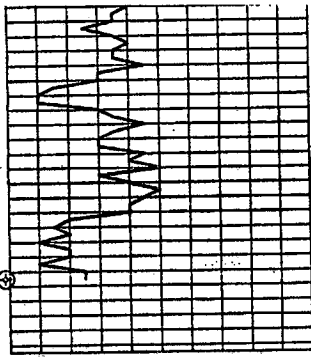
Dolo, lt gry, dns, f-xln, suc, sm chty, fr moldic por, NS

Dolo, AA bec tn, dns, calc

DST #4 4170-4234
 30"-45"-45"-60"
 Blow built to BOB in 3" on IFP
 Weak blow on ISP
 Blow built to BOB in 5" on FFP
 Blow built to 10 inches on FSP
 REC: 2200' GIP
 138' CO (37 deg grav corr API)
 155' GCMO (4%g, 80%o, 16%w)
 124' GCMO (22%g, 58%o, 20%w)
 417' Total Fluid
 IFP 34-88 ISIP 625
 FFP 108-165 FSIP 619
 IHP 2043 FHP 2037
 Temp: 134 deg F

DST #5 4230-4340
 30"-45"-45"-60"
 Blow built to BOB in 3" on IFP
 Weak blow on ISP
 Blow built to BOB in 9" on FFP
 Blow built to BOB on FSP
 REC: 770' GIP
 235' CO (34 deg grav corr API)
 208' GCMO (10%g, 70%o, 20%w)
 155' GMWCO (20%g, 51%o, 17%w, 20%w)
 186' GMWCO (24%g, 52%o, 12%w, 12%w)
 124' GWOCM (52%g, 18%o, 10%w, 20%w)
 908' Total Fluid
 IFP 32-189 ISIP 1017
 FFP 220-375 FSIP 989
 IHP 2077 FHP 2072
 Temp: 135 deg F
 Chis: 11,500 ppm

DST #6 4350-4364
 30"-45"-45"-60"
 Blow built to 6 inches on IFP
 Blow built to 8 inches on FFP
 REC: 90' GIP
 62' CO (34 deg grav corr API)
 31' GOWCM (8%g, 38%o, 15%w, 39%w)
 93' Total Fluid
 IFP 7-19 ISIP 1152
 FFP 38-57 FSIP 1141
 IHP 2094 FHP 2094
 Temp: 134 deg F
 Chis: 5,000 ppm



CFS

Dolo, AA bec tn, dns, calc

Dolo AA

LS, tn, dns, v f-xln, dolo in prt, sct foss frags, pr vis por, NS

DRILLING TIME IN MINUTES

Depth

PER FOOT

Sample Descriptions

Remarks

IPANY L.D. Drilling, Inc.

ELEVATION 2700

KB

SE #1-31 Darrel

FORMATION 1650' FSL & 330' FWL

Sec 31

TWP 14S RGE 29W

COUNTY Gove

STATE Kansas

Diamond Testing

General information Report

General Information

Company Name L.D. DRILLING, INC.

Contact	L.D. DAVIS	Job Number	
Well Name	DARREL #1-31	Representative	ROGER D. FRIEDLY
Unique Well ID	DST #1 LKC 'C' 3,762' - 3,785'	Well Operator	L.D. DRILLING, INC.
Surface Location	SEC 31-14S-29W GOVE COUNTY, KS	Report Date	2010/07/08
Well License Number		Prepared By	ROGER D. FRIEDLY
Field	WILDCAT		
Well Type	Vertical		

Test Type	CONVENTIONAL		
Formation	DST #1 LKC 'C' 3,762' - 3,785'		
Well Fluid Type	01 Oil	Start Test Time	12:45:00
		Final Test Time	22:39:00
Start Test Date	2010/07/08		
Final Test Date	2010/07/08		
Gauge Name	1150		
Gauge Serial Number			

Test Results

RECOVERED: 400' GAS IN PIPE
118' CLEAN OIL 35 GRAVITY @ 60 deg
155' G&OCWM 6% GAS, 7% OIL, 38% WTR, 49% MUD
124' SLTOCMW 2% OIL, 71% WTR, 27% MUD
744' SW 100% WTR
1,141' TOTAL FLUID

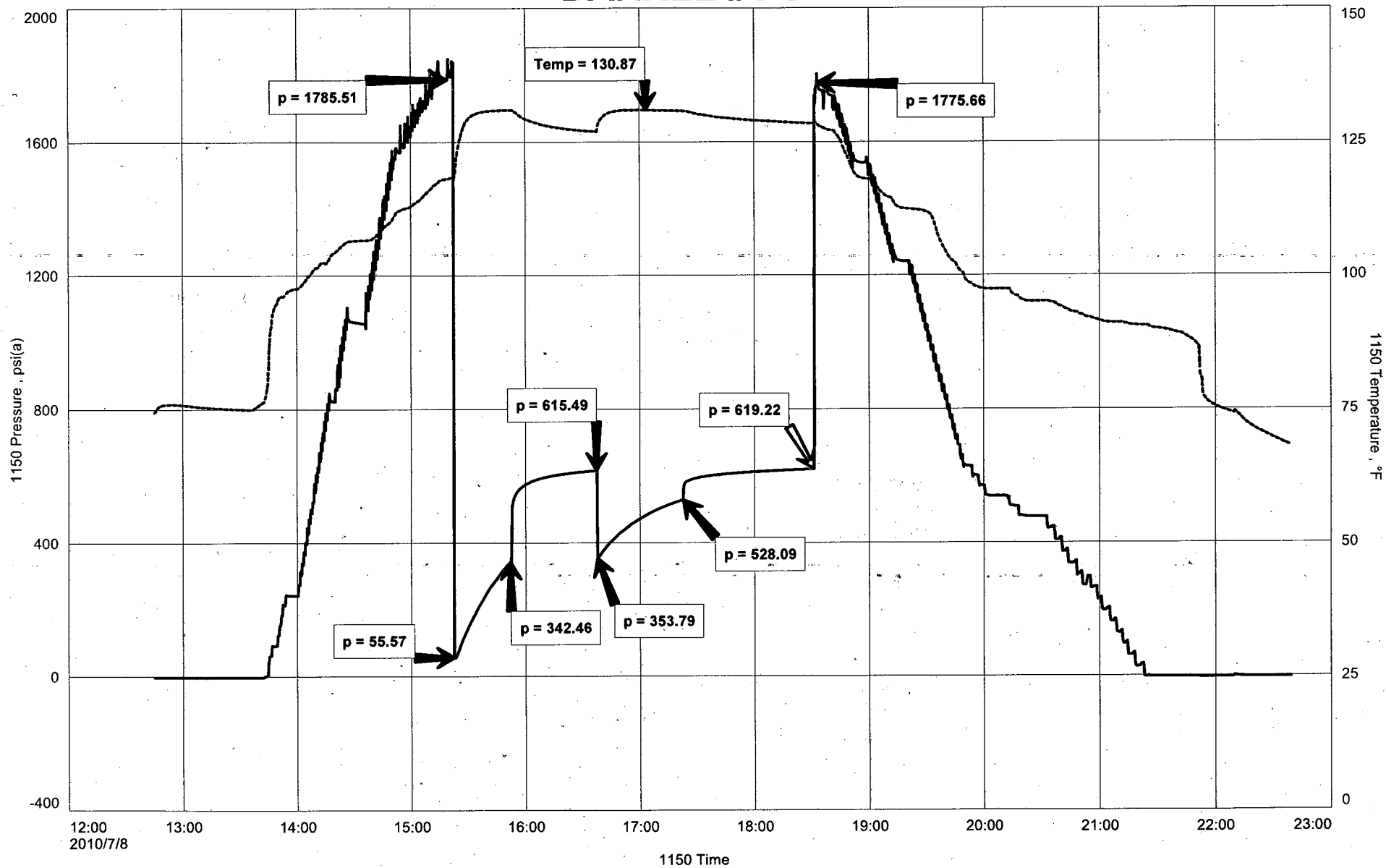
TOOL SAMPLE: 100% SW - OIL SPECKS

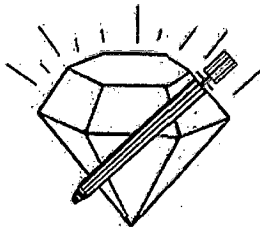
CHLORIDES 56,000 Ppm
PH: 6.5
RW: .12 @ 64 deg

L.D. DRILLING, INC.
DST #1 LKC 'C' 3,762' - 3,785'
Start Test Date: 2010/07/08
Final Test Date: 2010/07/08

DARREL #1-31
Formation: DST #1 LKC 'C' 3,762' - 3,785'

DARREL #1-31





DIAMOND TESTING
 P.O. Box 157
 HOISINGTON, KANSAS 67544
 (800) 542-7313

CLOCK ON:12:45

CLOCK OFF:22:39

DRILL-STEM TEST TICKET

Company L.D. DRILLING, INC. Lease & Well No. DARREL #1-31
 Contractor VAL RIG #4 Charge to L.D. DRILLING, INC.
 Elevation 2,700 KB Formation LKC 'C' Effective Pay _____ Ft. Ticket No. _____
 Date 7.8.10 Sec. 31 Twp. _____ 14 S Range _____ 29 W. County GOVE State KANSAS

Test Approved By TOM FUNK Diamond Representative ROGER D. FRIEDLY

Formation Test No. 1 Interval Tested from 3,762 ft. to 3,785 ft. Total Depth 3,785 ft.
 Packer Depth 3,757 ft. Size 6 3/4 in. Packer Depth _____ ft. Size _____ in.
 Packer Depth 3,762 ft. Size 6 3/4 in. Packer Depth _____ ft. Size _____ in.
 Depth of Selective Zone Set _____

Top Recorder Depth (Inside) _____ 3,750 ft. Recorder Number 1150 Cap. 5,000 P.S.I.
 Bottom Recorder Depth (Outside) _____ 3,782 ft. Recorder Number 3815 Cap. 5,700 P.S.I.
 Below Straddle Recorder Depth _____ ft. Recorder Number _____ Cap. _____ P.S.I.

Mud Type CHEMICAL Viscosity 59 Drill Collar Length _____ ft. I.D. 2 1/4 in.
 Weight 9.1 Water Loss 8.6 cc. Weight Pipe Length _____ ft. I.D. 2 7/8 in.
 Chlorides 1,000 P.P.M. Drill Pipe Length 3,736 ft. I.D. 3 1/2 in.
 Jars: Make BOWEN Serial Number N/A Test Tool Length 26 ft. Tool Size 3 1/2-IF in.
 Did Well Flow? NO Reversed Out NO Anchor Length 23 ft. Size 4 1/2-FH in.
 Main Hole Size 7 7/8 Tool Joint Size 4 1/2 XH in. Surface Choke Size 1 in. Bottom Choke Size 5/8 in.

Blow: 1st Open: STRONG BLOW OFF BOTTOM OF BUCKET IN 2 MIN (G 9"BB)
 2nd Open: FAIR 1" BLOW INCREASING TO BOTTOM OF BUCKET IN 5 MIN (G 9"BB)

Recovered 400 ft. of GAS IN PIPE
 Recovered 118 ft. of CLEAN OIL 35 GRAVITY @ 60 deg.
 Recovered 155 ft. of G&OCWM 6% GAS, 7% OIL, 38% WTR, 49% MUD

Recovered <u>124</u> ft. of <u>SLTOCMW 2% OIL, 71% WTR, 27% MUD</u>	Price Job
Recovered <u>744</u> ft. of <u>SW 100% WTR CHLORIDES 56,000</u>	Other Charges
Remarks: <u>1,141 FT TOTAL FLUID PH 6.5</u>	Insurance
<u>TOOL SAMPLE: 100% SW - OIL SPECKS</u>	Total

Time Set Packer(s) 3:22 P.M. A.M. P.M. Time Started Off Bottom 6:22 P.M. A.M. P.M. Maximum Temperature 131
 Initial Hydrostatic Pressure _____ (A) 1,786 P.S.I.
 Initial Flow Period _____ Minutes 30 (B) 56 P.S.I. to (C) 342 P.S.I.
 Initial Closed In Period _____ Minutes 45 (D) 615 P.S.I.
 Final Flow Period _____ Minutes 45 (E) 354 P.S.I. to (F) 528 P.S.I.
 Final Closed In Period _____ Minutes 60 (G) 619 P.S.I.
 Final Hydrostatic Pressure _____ (H) 1,776 P.S.I.

Diamond Testing shall not be liable for damages of any kind to the property or personnel of the one for whom a test is made or for any loss suffered or sustained, directly or indirectly, through the use of its equipment, or its statement or opinion concerning the result of any test. Tools lost or damaged in the hole shall be paid for at cost by the party for whom the test is made.

Diamond Testing

General information Report

General Information

Company Name L.D. DRILLING, INC.

Contact	L.D. DAVIS	Job Number	
Well Name	DARREL #1-31	Representative	ROGER D. FRIEDLY
Unique Well ID	DST #2 LKC 'D' 3,785' - 3,815'	Well Operator	L.D. DRILLING, INC.
Surface Location	SEC 31-14S-29W GOVE COUNTY, KS	Report Date	2010/07/09
Well License Number		Prepared By	ROGER D. FRIEDLY
Field	WILDCAT		
Well Type	Vertical		

Test Type	CONVENTIONAL		
Formation	DST #2 LKC 'D' 3,785' - 3,815'		
Well Fluid Type	01 Oil	Start Test Time	10:05:00
		Final Test Time	18:37:00
Start Test Date	2010/07/09		
Final Test Date	2010/07/09		
Gauge Name	1150		
Gauge Serial Number			

Test Results

RECOVERED: 5' CLEAN OIL 34.8 GRAVITY @ 60 deg
20' OCMW 2% OIL, 51% WTR, 47% MUD
62' MW 79% WTR, 21% MUD - SCUM OF OIL
87' TOTAL FLUID

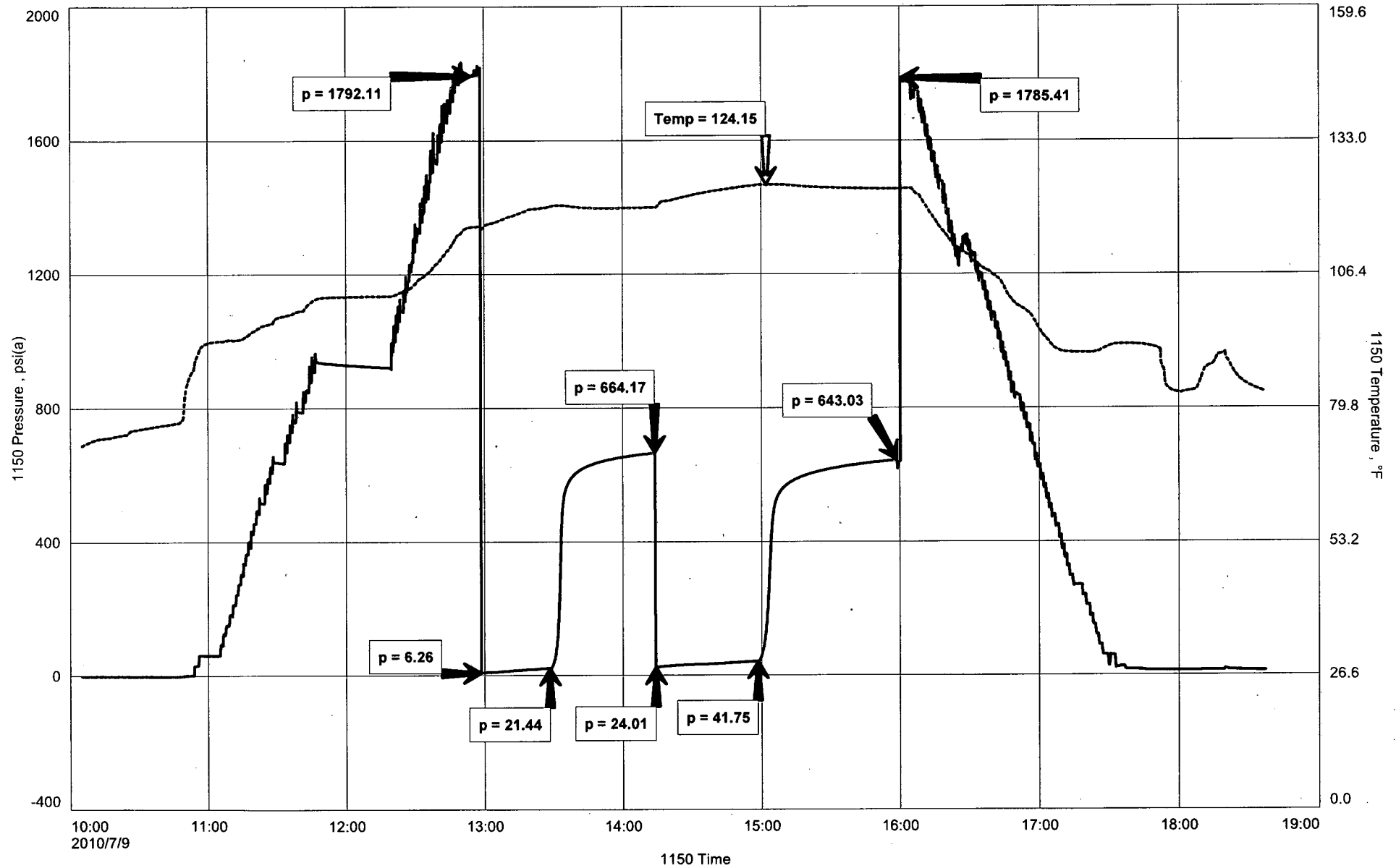
TOOL SAMPLE: 2% OIL, 71% WTR, 27% MUD

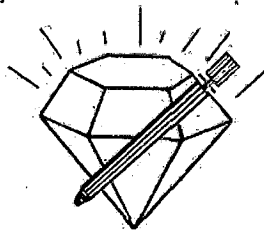
CHLORIDES: 45,000 Ppm
PH: 7.0
RW: .17 @ 74 deg

L.D. DRILLING, INC.
DST #2 LKC 'D' 3,785' - 3,815'
Start Test Date: 2010/07/09
Final Test Date: 2010/07/09

DARREL #1-31
Formation: DST #2 LKC 'D' 3,785' - 3,815'

DARREL #1-31





DIAMOND TESTING
P.O. Box 157
HOISINGTON, KANSAS 67544
(800) 542-7313

CLOCK ON:10:05

CLOCK OFF:18:37

DRILL-STEM TEST TICKET

Company L.D. DRILLING, INC. Lease & Well No. DARREL #1-31
Contractor VAL RIG #4 Charge to L.D. DRILLING, INC.
Elevation 2,700 KB Formation LKC 'D' Effective Pay _____ Ft. Ticket No. _____
Date 7.9.10 Sec. 31 Twp. 14 S Range 29 W County GOVE State KANSAS

Test Approved By TOM FUNK Diamond Representative ROGER D. FRIEDLY

Formation Test No. 2 Interval Tested from 3,785 ft. to 3,815 ft. Total Depth 3,815 ft.
Packer Depth 3,780 ft. Size 6 3/4 in. Packer Depth _____ ft. Size _____ in.
Packer Depth 3,785 ft. Size 6 3/4 in. Packer Depth _____ ft. Size _____ in.
Depth of Selective Zone Set _____

Top Recorder Depth (Inside) 3,773 ft. Recorder Number 1150 Cap. 5,000 P.S.I.
Bottom Recorder Depth (Outside) 3,812 ft. Recorder Number 3815 Cap. 5,700 P.S.I.
Below Straddle Recorder Depth _____ ft. Recorder Number _____ Cap. _____ P.S.I.

Mud Type CHEMICAL Viscosity 47 Drill Collar Length 0 ft. I.D. 2 1/4 in.
Weight 9.1 Water Loss 8.8 cc. Weight Pipe Length 0 ft. I.D. 2 7/8 in.
Chlorides 3,000 P.P.M. Drill Pipe Length 3,759 ft. I.D. 3 1/2 in.
Jars: Make BOWEN Serial Number N/A Test Tool Length 26 ft. Tool Size 3 1/2-IF in.
Did Well Flow? NO Reversed Out NO Anchor Length 30 ft. Size 4 1/2-FH in.
Main Hole Size 7 7/8 Tool Joint Size 4 1/2 XH in. Surface Choke Size 1 in. Bottom Choke Size 5/8 in.

Blow: 1st Open: WEAK 1/8" BLOW INCREASING TO 3 1/2" (NOBB)
2nd Open: WEAK SURFACE BLOW INCREASING 3 1/4" (NOBB)

Recovered 5 ft. of CLEAN OIL 34.8 GRAVITY @ 60 deg
Recovered 20 ft. of OCMW 2% OIL, 51% WTR, 47% MUD
Recovered 62 ft. of MW 79% WTR, 21% MUD CHLORIDES 45,000 Ppm
Recovered 87 ft. of TOTAL FLUID PH 7.0
Recovered _____ ft. of _____ RW .17 @ 74 deG

Remarks:	Price Job
	Other Charges
	Insurance
	Total

TOOL SAMPLE: 2% OIL, 71% WTR, 27% MUD

Time Set Packer(s) 12:58 P.M. A.M. P.M. Time Started Off Bottom 3:58 P.M. A.M. P.M. Maximum Temperature 124
Initial Hydrostatic Pressure (A) 1,792 P.S.I.
Initial Flow Period Minutes 30 (B) 6 P.S.I. to (C) 21 P.S.I.
Initial Closed In Period Minutes 45 (D) 664 P.S.I.
Final Flow Period Minutes 45 (E) 24 P.S.I. to (F) 42 P.S.I.
Final Closed In Period Minutes 60 (G) 643 P.S.I.
Final Hydrostatic Pressure (H) 1,785 P.S.I.

Diamond Testing shall not be liable for damages of any kind to the property or personnel of the one for whom a test is made or for any loss suffered or sustained, directly or indirectly, through the use of its equipment, or its statement or opinion concerning the result of any test. Tools lost or damaged in the hole shall be paid for at cost by the party for whom the test is made.

Diamond Testing

General information Report

General Information

Company Name L.D. DRILLING, INC.

Contact	L.D. DAVIS	Job Number	
Well Name	DARREL #1-31	Representative	ROGER D. FRIEDLY
Unique Well ID	DST #3 LKC 'HIJ' 3,906' - 3,990'	Well Operator	L.D. DRILLING, INC.
Surface Location	SEC 31-14S-29W GOVE COUNTY, KS	Report Date	2010/07/10
Well License Number		Prepared By	ROGER D. FRIEDLY
Field	WILDCAT		
Well Type	Vertical		

Test Type	CONVENTIONAL		
Formation	DST #3 LKC 'HIJ' 3,906' - 3,990'		
Well Fluid Type	01 Oil	Start Test Time	13:15:00
		Final Test Time	19:20:00
Start Test Date	2010/07/10		
Final Test Date	2010/07/10		
Gauge Name	1150		
Gauge Serial Number			

Test Results

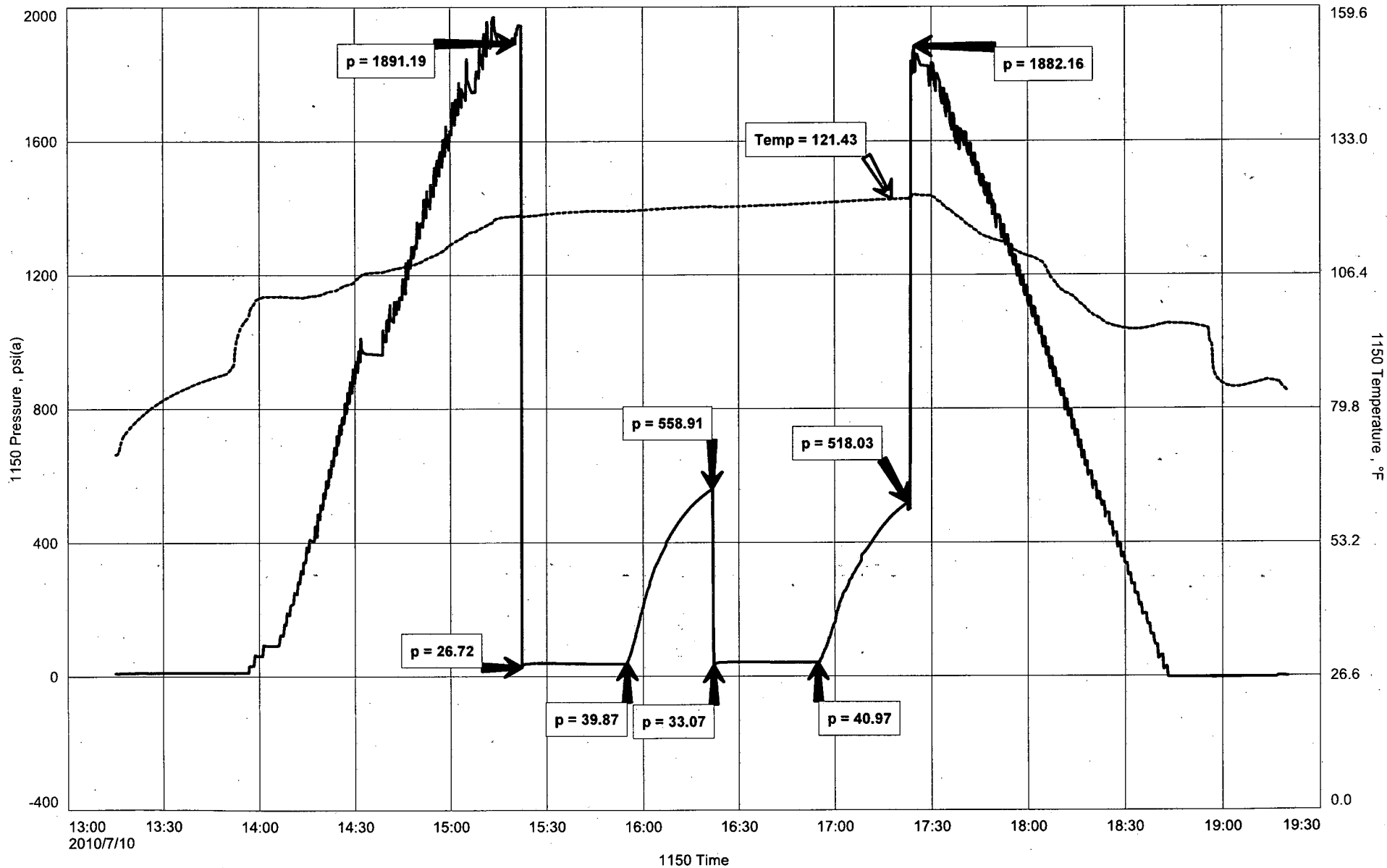
RECOVERED: 10' DM 100% MUD

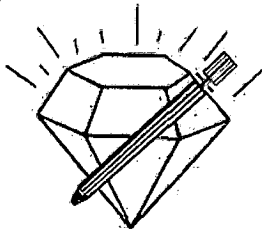
TOOL SAMPLE: 100% DM WITH GOOD OIL SPOTS

L.D. DRILLING, INC.
DST #3 LKC 'HIJ' 3,906' - 3,990'
Start Test Date: 2010/07/10
Final Test Date: 2010/07/10

DARREL #1-31
Formation: DST #3 LKC 'HIJ' 3,906' - 3,990'

DARREL #1-31





DIAMOND TESTING
P.O. Box 157
HOISINGTON, KANSAS 67544
(800) 542-7313

CLOCK ON:13:15

CLOCK OFF:19:20

DRILL-STEM TEST TICKET

Company L.D. DRILLING, INC. Lease & Well No. DARREL #1-31
Contractor VAL RIG #4 Charge to L.D. DRILLING, INC.
Elevation 2,700 KB Formation LKC 'H,I,J' Effective Pay _____ Ft. Ticket No. _____
Date 7.10.10 Sec. 31 Twp. _____ 14 S Range _____ 29 W County GOVE State KANSAS

Test Approved By TOM FUNK Diamond Representative ROGER D. FRIEDLY

Formation Test No. 3 Interval Tested from 3,906 ft. to 3,990 ft. Total Depth 3,990 ft.
Packer Depth 3,901 ft. Size 6 3/4 in. Packer Depth _____ ft. Size _____ in.
Packer Depth 3,906 ft. Size 6 3/4 in. Packer Depth _____ ft. Size _____ in.
Depth of Selective Zone Set _____

Top Recorder Depth (Inside) _____ 3,894 ft. Recorder Number 1150 Cap. 5,000 P.S.I.
Bottom Recorder Depth (Outside) _____ 3,987 ft. Recorder Number 3815 Cap. 5,700 P.S.I.
Below Straddle Recorder Depth _____ ft. Recorder Number _____ Cap. _____ P.S.I.

Mud Type CHEMICAL Viscosity 58 Drill Collar Length 0 ft. I.D. 2 1/4 in.
Weight 9.3 Water Loss 9.0 cc. Weight Pipe Length 0 ft. I.D. 2 7/8 in.
Chlorides 4,000 P.P.M. Drill Pipe Length 3,880 ft. I.D. 3 1/2 in.
Jars: Make BOWEN Serial Number N/A Test Tool Length 26 ft. Tool Size 3 1/2-IF in.
Did Well Flow? NO Reversed Out NO Anchor Length 84 ft. Size 4 1/2-FH in.
Main Hole Size 7 7/8 Tool Joint Size 4 1/2 XH in. Surface Choke Size 1 in. Bottom Choke Size 5/8 in.

Blow: 1st Open: WEAK 1/8" BLOW INCREASING TO 1/4" - DECREASING IN 15 MIN - DIED IN 21 MIN (NOBB)
2nd Open: NO BLOW (NOBB)

Recovered 10 ft. of DM 100% MUD

Recovered _____ ft. of _____

Recovered _____ ft. of _____

Recovered _____ ft. of _____

Recovered _____ ft. of _____

Remarks: _____

TOOL SAMPLE: 100% DM GOOD OIL SPOTS

Time Set Packer(s) 3:22 P.M. A.M. P.M. Time Started Off Bottom 5:22 P.M. A.M. P.M. Maximum Temperature 121

Initial Hydrostatic Pressure (A) 1,891 P.S.I.

Initial Flow Period Minutes 30 (B) 27 P.S.I. to (C) 40 P.S.I.

Initial Closed In Period Minutes 30 (D) 559 P.S.I.

Final Flow Period Minutes 30 (E) 33 P.S.I. to (F) 41 P.S.I.

Final Closed In Period Minutes 30 (G) 518 P.S.I.

Final Hydrostatic Pressure (H) 1,882 P.S.I.

Diamond Testing shall not be liable for damages of any kind to the property or personnel of the one for whom a test is made or for any loss suffered or sustained, directly or indirectly, through the use of its equipment, or its statement or opinion concerning the result of any test. Tools lost or damaged in the hole shall be paid for at cost by the party for whom the test is made.

Diamond Testing

General information Report

General Information

Company Name L.D. DRILLING, INC.

Contact	L.D. DAVIS	Job Number	
Well Name	DARREL #1-31	Representative	ROGER D. FRIEDLY
Unique Well ID	DST #4 PAWNEE / MYRICK 4,170' - 4,234'	Well Operator	L.D. DRILLING, INC.
Surface Location	SEC 31-14S-29W GOVE COUNTY, KS	Report Date	2010/07/12
Well License Number		Prepared By	ROGER D. FRIEDLY
Field	WILDCAT		
Well Type	Vertical		

Test Type	CONVENTIONAL	Start Test Time	01:15:00
Formation	DST #4 PAWNEE / MYRICK 4,170' - 4,234'	Final Test Time	09:53:00
Well Fluid Type	01 Oil		
Start Test Date	2010/07/12		
Final Test Date	2020/07/12		
Gauge Name	1150		
Gauge Serial Number			

Test Results

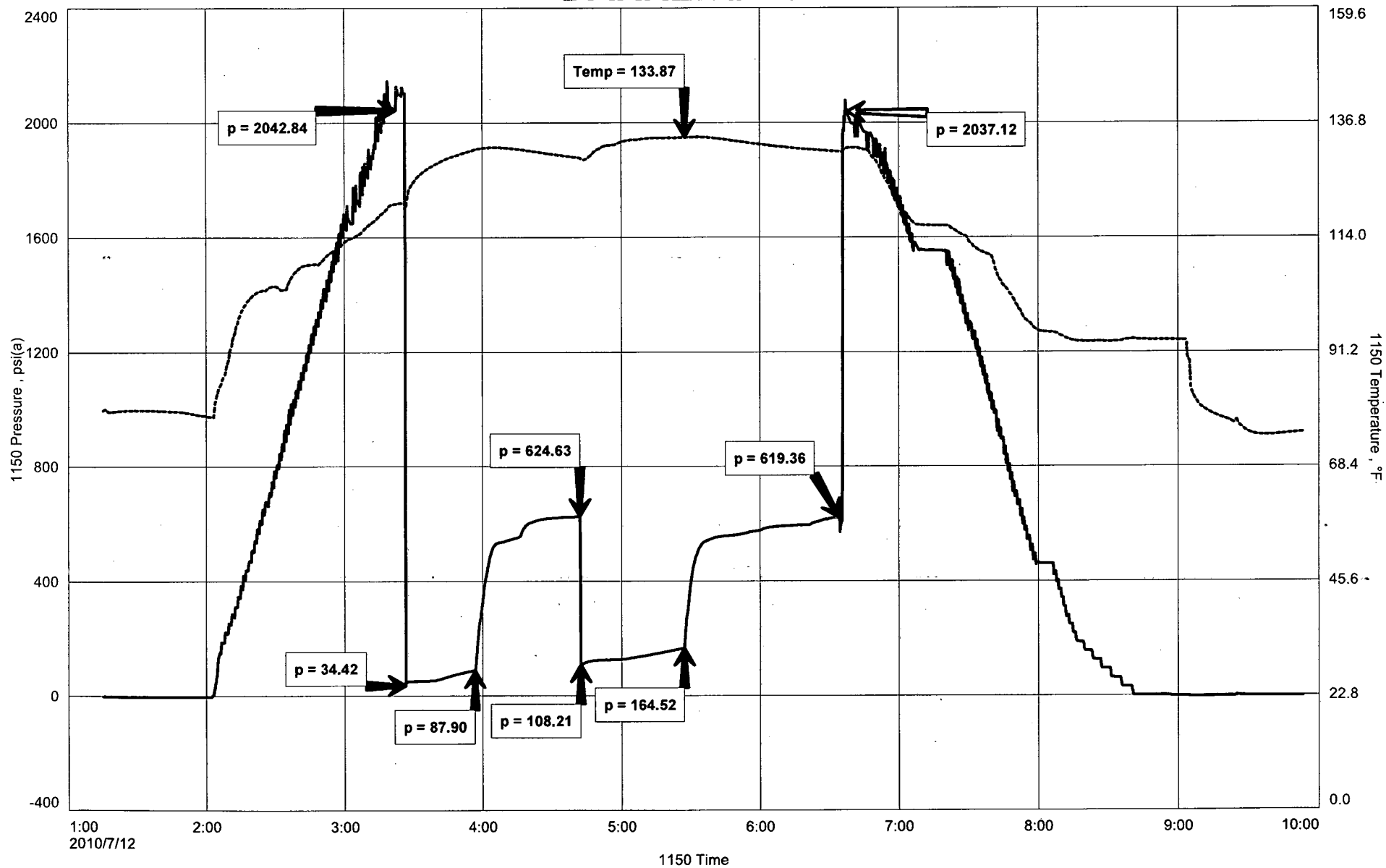
RECOVERED: 2,200' GAS IN PIPE
138' CLEAN OIL 36.6 GRAVITY @ 60 deg
155' GCMO 4% GAS, 80% OIL, 16% MUD
124' GCMO 22% GAS, 58% OIL, 20% MUD
417' TOTAL FLUID

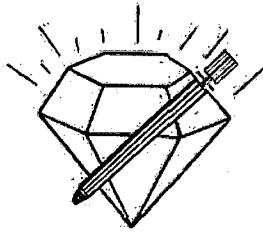
TOOL SAMPLE: 10% GAS, 56% OIL, 34% MUD

L.D. DRILLING, INC.
 DST #4 PAWNEE / MYRICK 4,170' - 4,234'
 Start Test Date: 2010/07/12
 Final Test Date: 2020/07/12

DARREL #1-31
 Formation: DST #4 PAWNEE / MYRICK 4,170' - 4,234'

DARREL #1-31





DIAMOND TESTING
 P.O. Box 157
HOISINGTON, KANSAS 67544
 (800) 542-7313

CLOCK ON:01:15

CLOCK OFF:09:53

DRILL-STEM TEST TICKET

Company L.D. DRILLING, INC. Lease & Well No. DARREL #1-31
 Contractor VAL RIG #4 Charge to L.D. DRILLING, INC.
 Elevation 2,700 KB Formation PAWNEE / MYRICK STATION Effective Pay _____ Ft. Ticket No. _____
 Date 7.12.10 Sec. 31 Twp. 14 S Range 29 W County GOVE State KANSAS
 Test Approved By TOM FUNK Diamond Representative ROGER D. FRIEDLY

Formation Test No. 4 Interval Tested from 4,170 ft. to 4,234 ft. Total Depth 4,234 ft.
 Packer Depth 4,165 ft. Size 6 3/4 in. Packer Depth _____ ft. Size _____ in.
 Packer Depth 4,170 ft. Size 6 3/4 in. Packer Depth _____ ft. Size _____ in.
 Depth of Selective Zone Set _____

Top Recorder Depth (Inside) 4,158 ft. Recorder Number 1150 Cap. 5,000 P.S.I.
 Bottom Recorder Depth (Outside) 4,231 ft. Recorder Number 3815 Cap. 5,700 P.S.I.
 Below Straddle Recorder Depth _____ ft. Recorder Number _____ Cap. _____ P.S.I.

Mud Type CHEMICAL Viscosity 60 Drill Collar Length 0 ft. I.D. 2 1/4 in.
 Weight 9.2 Water Loss 8.8 cc. Weight Pipe Length 0 ft. I.D. 2 7/8 in.
 Chlorides 3,200 P.P.M. Drill Pipe Length 4,144 ft. I.D. 3 1/2 in.
 Jars: Make BOWEN Serial Number N/A Test Tool Length 26 ft. Tool Size 3 1/2-1F in.
 Did Well Flow? NO Reversed Out NO Anchor Length 64 ft. Size 4 1/2-FH in.
 Main Hole Size 7 7/8 Tool Joint Size 4 1/2 XH in. 30° DP IN ANCHOR Surface Choke Size 1 in. Bottom Choke Size 5/8 in.

Blow: 1st Open: GOOD 3" BLOW INCREASING TO BOTTOM OF BUCKET 2 1/2 MIN (W 1/4"BB DIED)
 2nd Open: FAIR 1" BLOW INCREASING TO BOTTOM OF BUCKET IN 5 1/2 MIN (S 10"BB)

Recovered 2,200 ft. of GAS IN PIPE
 Recovered 138 ft. of CLEAN OIL 36.6 GRAVITY @ 60 deg
 Recovered 155 ft. of GCMO 4% GAS, 80% OIL, 16% MUD
 Recovered 124 ft. of GCMO 22% GAS, 58% OIL, 34% MUD
 Recovered 417 ft. of TOTAL FLUID

Remarks: TOOL SAMPLE: 10% GAS, 56% OIL, 34% MUD	Price Job
	Other Charges
	Insurance
	Total

Time Set Packer(s) 3:26 A.M. A.M. P.M. Time Started Off Bottom 6:26 A.M. A.M. P.M. Maximum Temperature 134
 Initial Hydrostatic Pressure (A) 2,043 P.S.I.
 Initial Flow Period Minutes 30 (B) 34 P.S.I. to (C) 88 P.S.I.
 Initial Closed In Period Minutes 45 (D) 625 P.S.I.
 Final Flow Period Minutes 45 (E) 108 P.S.I. to (F) 165 P.S.I.
 Final Closed In Period Minutes 60 (G) 619 P.S.I.
 Final Hydrostatic Pressure (H) 2,037 P.S.I.

Diamond Testing shall not be liable for damages of any kind to the property or personnel of the one for whom a test is made or for any loss suffered or sustained, directly or indirectly, through the use of its equipment, or its statement or opinion concerning the result of any test. Tools lost or damaged in the hole shall be paid for at cost by the party for whom the test is made.

Diamond Testing

General information Report

General Information

Company Name L.D. DRILLING, INC.

Contact	L.D. DAVIS	Job Number	
Well Name	DARREL #1-31	Representative	ROGER D. FRIEDLY
Unique Well ID	DST #5 FT. SCOTT-JOHNSON 4,230' - 4,340'	Well Operator	L.D. DRILLING, INC.
Surface Location	SEC 31-14S-29W GOVE COUNTY, KS	Report Date	2010/07/13
Well License Number		Prepared By	ROGER D. FRIEDLY
Field	WILDCAT		
Well Type	Vertical		

Test Type	CONVENTIONAL		
Formation	DST #5 FT. SCOTT-JOHNSON 4,230' - 4,340'		
Well Fluid Type	01 Oil	Start Test Time	08:40:00
		Final Test Time	17:23:00
Start Test Date	2010/07/13		
Final Test Date	2010/07/13		
Gauge Name	1150		
Gauge Serial Number			

Test Results

RECOVERED: 770' GAS IN PIPE

235' CLEAN OIL 34 GRAVITY @ 60 deg
208' HGCMO 10% GAS, 70% OIL, 20% MUD
155' M&WCGO 20%, GAS, 51% OIL, 17% WTR, 12% MUD
186' M&WCGO 24%, GAS, 52% OIL, 12% WTR, 12% MUD
124' G&WCOM 52% GAS, 18% OIL, 10% WTR, 20% MUD
908' TOTAL FLUID

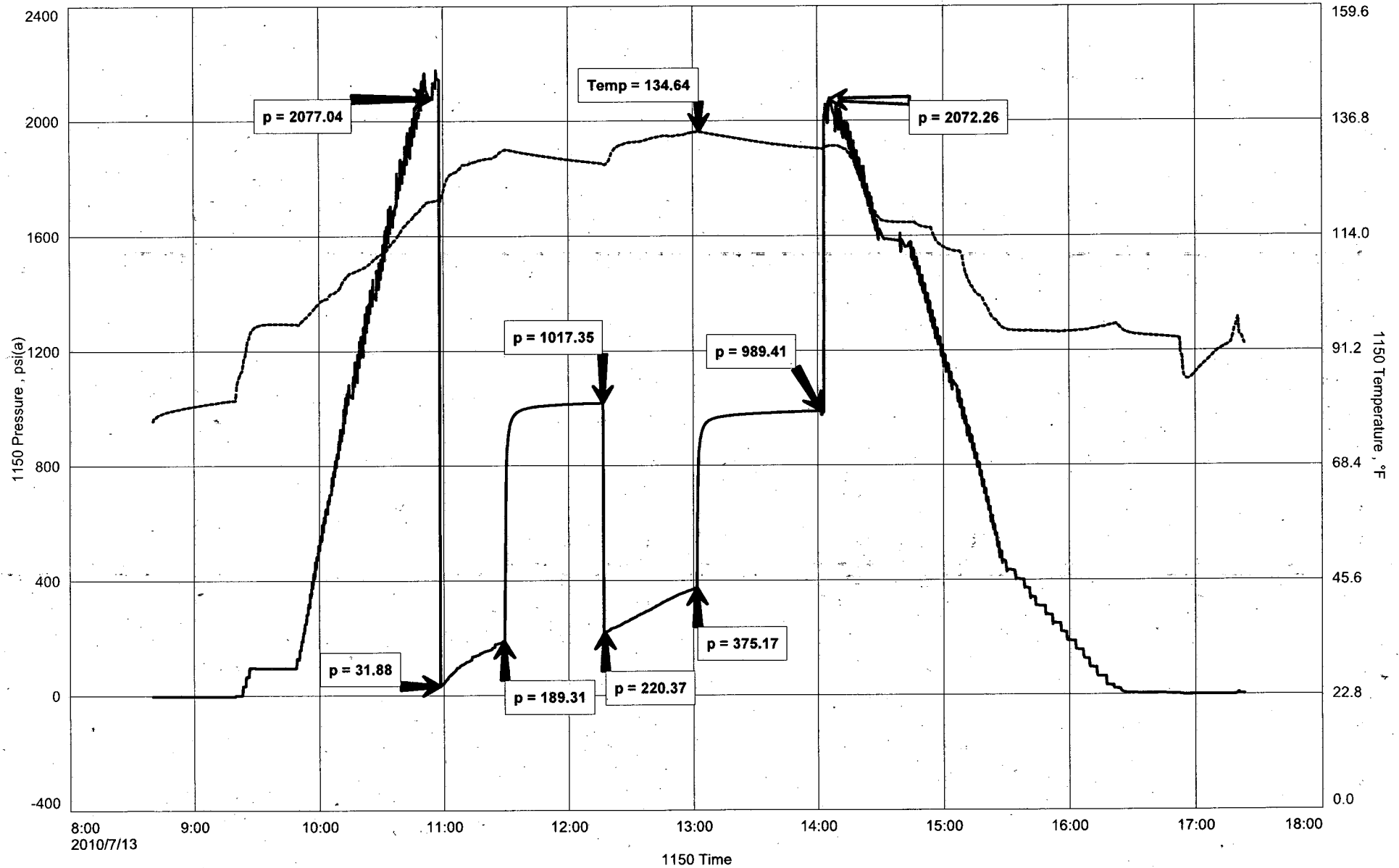
TOOL SAMPLE: 4% GAS, 59% OIL, 15% WTR, 22% MUD

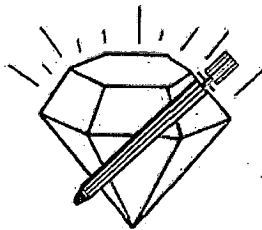
CHLORIDES; 11,500 Ppm
PH: 7.0
RW: .33 @ 85 deg

L.D. DRILLING, INC.
DST #5 FT. SCOTT-JOHNSON 4,230' - 4,340'
Start Test Date: 2010/07/13
Final Test Date: 2010/07/13

DARREL #1-31
Formation: DST #5 FT. SCOTT-JOHNSON 4,230' - 4,340'

DARREL #1-31





DIAMOND TESTING
 P.O. Box 157
HOISINGTON, KANSAS 67544
 (800) 542-7313

CLOCK ON: 08:40

CLOCK OFF: 17:23

DRILL-STEM TEST TICKET

Company L.D. DRILLING, INC. Lease & Well No. DARREL #1-31
 Contractor VAL RIG #4 Charge to L.D. DRILLING, INC.
 Elevation 2,700 KB Formation FT SCOTT-JOHNSON Effective Pay _____ Ft. Ticket No. _____
 Date 7.13.10 Sec. 31 Twp. 14 S Range 29 W County GOVE State KANSAS

Test Approved By TOM FUNK Diamond Representative ROGER D. FRIEDLY

Formation Test No. 5 Interval Tested from 4,230 ft. to 4,340 ft. Total Depth 4,340 ft.
 Packer Depth 4,225 ft. Size 6 3/4 in. Packer Depth _____ ft. Size _____ in.
 Packer Depth 4,230 ft. Size 6 3/4 in. Packer Depth _____ ft. Size _____ in.
 Depth of Selective Zone Set _____

Top Recorder Depth (Inside) 4,218 ft. Recorder Number 1150 Cap. 5,000 P.S.I.
 Bottom Recorder Depth (Outside) 4,337 ft. Recorder Number 3815 Cap. 5,700 P.S.I.
 Below Straddle Recorder Depth _____ ft. Recorder Number _____ Cap. _____ P.S.I.

Mud Type CHEMICAL Viscosity 49 Drill Collar Length 0 ft. I.D. 2 1/4 in.
 Weight 9.4 Water Loss 9.1 cc. Weight Pipe Length 0 ft. I.D. 2 7/8 in.
 Chlorides 4,000 P.P.M. Drill Pipe Length 4,204 ft. I.D. 3 1/2 in.
 Jars: Make BOWEN Serial Number N/A Test Tool Length 26 ft. Tool Size 3 1/2-IF in.
 Did Well Flow? NO Reversed Out NO Anchor Length 110 ft. Size 4 1/2-FH in.
 Main Hole Size 7 7/8 Tool Joint Size 4 1/2 XH in. Surface Choke Size 1 in. Bottom Choke Size 5/8 in.

Blow: 1st Open: FAIR 2: BLOW INCREASING TO BOTTOM OF BUCKET IN 3 1/4 MIN (F 1" bb)
 2nd Open: WEAK 1/2" BLOW INCREASING TO BOTTOM OF BUCKET IN 9 1/2 MIN (SBBbb)

Recovered 770 ft. of GAS IN PIPE CHLORIDES 11,500
 Recovered 235 ft. of CLEAN OIL 34 GRAVITY @ 60 deg PH 7.0
 Recovered 208 ft. of HGCMO 19% GAS, 70% OIL, 20% MUD RW .33 @ 85 deg

Recovered <u>155</u> ft. of <u>M&WCGO 20% GAS, 51% OIL, 17% WTR, 12% MUD</u>	Price Job
Recovered <u>186</u> ft. of <u>M&WCGO 24% GAS, 52% OIL, 12% WTR, 12% MUD</u>	Other Charges
Remarks: <u>124 FT. OF G&WCOM 52% GAS, 18% OIL, 10% WTR, 20% MUD</u>	Insurance
<u>908' TOTAL FLUID</u>	
<u>TOOL SAMPLE: 4% GAS, 58% OIL, 15% WTR, 22% MUD</u>	Total

Time Set Packer(s) 10:59 A.M. A.M. P.M. Time Started Off Bottom 1:58 P.M. A.M. P.M. Maximum Temperature 135
 Initial Hydrostatic Pressure (A) 2,077 P.S.I.
 Initial Flow Period Minutes 30 (B) 32 P.S.I. to (C) 189 P.S.I.
 Initial Closed In Period Minutes 45 (D) 1,017 P.S.I.
 Final Flow Period Minutes 45 (E) 220 P.S.I. to (F) 375 P.S.I.
 Final Closed In Period Minutes 60 (G) 989 P.S.I.
 Final Hydrostatic Pressure (H) 2,072 P.S.I.

Diamond Testing shall not be liable for damages of any kind to the property or personnel of the one for whom a test is made or for any loss suffered or sustained, directly or indirectly, through the use of its equipment, or its statement or opinion concerning the result of any test. Tools lost or damaged in the hole shall be paid for at cost by the party for whom the test is made.

Diamond Testing

General information Report

General Information

Company Name L.D. DRILLING, INC.

Contact	L.D. DAVIS	Job Number	
Well Name	DARREL #1-31	Representative	ROGER D, FRIEDLY
Unique Well ID	DST #6 MISSISSIPPI 4,350' - 4,364'	Well Operator	L.D. DRILLNG, INC.
Surface Location	SEC 31-14S-29W GOVE COUNTY, KS	Report Date	2010/07/14
Well License Number		Prepared By	ROGER D. FRIEDLY
Field	WILDCAT		
Well Type	Vertical		

Test Type	CONVENTIONAL		
Formation	DST #6 MISSISSIPPI 4,350' - 4,364'		
Well Fluid Type	01 Oil	Start Test Time	01:10:00
		Final Test Time	09:04:00
Start Test Date	2010/07/14		
Final Test Date	2010/07/14		
Gauge Name	1150		
Gauge Serial Number			

Test Results

RECOVERED: 90' GAS IN PIPE
62' CLEAN OIL 34.4 GRAVITY @ 60 deg
31' G&OCWM 8% GAS, 38% OIL, 15% WTR, 39% MUD
93' TOTAL

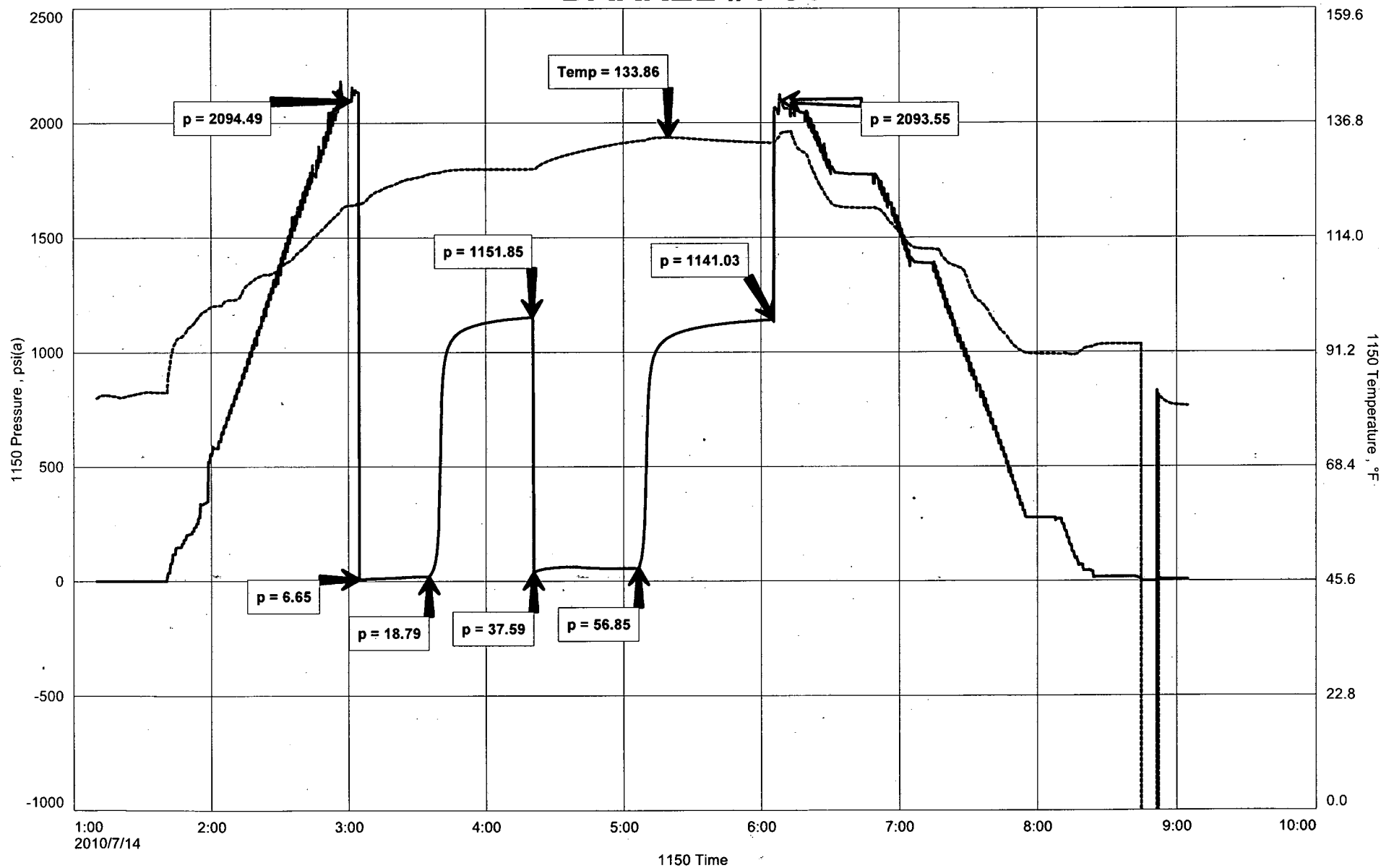
TOOL SAMPLE: 12% GAS, 41% OIL, 17% WTR, 30% MUD

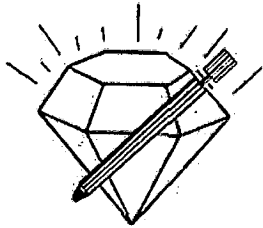
CHLORIDES: 5,000 Ppm
PH 7.0
RW .64 @ 84 deg

L.D. DRILLING, INC.
DST #6 MISSISSIPPI 4,350' - 4,364'
Start Test Date: 2010/07/14
Final Test Date: 2010/07/14

DARREL #1-31
Formation: DST #6 MISSISSIPPI 4,350' - 4,364'

DARREL #1-31





DIAMOND TESTING
P.O. Box 157
HOISINGTON, KANSAS 67544
(800) 542-7313

CLOCK ON: 01:10

CLOCK OFF: 09:04

DRILL-STEM TEST TICKET

Company L.D. DRILLING, INC. Lease & Well No. DARREL #1-31
Contractor VAL RIG #4 Charge to L.D. DRILLING, INC.
Elevation 2,700 KB Formation MISSISSIPPI Effective Pay _____ Ft. Ticket No. _____
Date 7.14.10 Sec. 31 Twp. 14 S Range 29 W County GOVE State KANSAS

Test Approved By TOM FUNK Diamond Representative ROGER D. FRIEDLY

Formation Test No. 6 Interval Tested from 4,350 ft. to 4,364 ft. Total Depth 4,364 ft.
Packer Depth 4,345 ft. Size 6 3/4 in. Packer Depth _____ ft. Size _____ in.
Packer Depth 4,350 ft. Size 6 3/4 in. Packer Depth _____ ft. Size _____ in.
Depth of Selective Zone Set _____

Top Recorder Depth (Inside) _____ 4,338 ft. Recorder Number 1150 Cap. 5,000 P.S.I.
Bottom Recorder Depth (Outside) _____ 4,361 ft. Recorder Number 3815 Cap. 5,700 P.S.I.
Below Straddle Recorder Depth _____ ft. Recorder Number _____ Cap. _____ P.S.I.

Mud Type CHEMICAL Viscosity 49 Drill Collar Length 0 ft. I.D. 2 1/4 in.
Weight 9.4 Water Loss 9.1 cc. Weight Pipe Length 0 ft. I.D. 2 7/8 in.
Chlorides 4,000 P.P.M. Drill Pipe Length 4,324 ft. I.D. 3 1/2 in.
Jars: Make BOWEN Serial Number N/A Test Tool Length 26 ft. Tool Size 3 1/2-IF in.
Did Well Flow? NO Reversed Out NO Anchor Length 14 ft. Size 4 1/2-FH in.
Main Hole Size 7 7/8 Tool Joint Size 4 1/2 XH in. Surface Choke Size 1 in. Bottom Choke Size 5/8 in.

Blow: 1st Open: WEAK 1/8" BLOW INCREASING TO 6" (NObb)
2nd Open: WEAK SURFACE BLOW INCREASING TO 8" (NObb)

Recovered 90 ft. of GAS IN PIPE
Recovered 62 ft. of CLEAN OIL 34.4 GRAVITY @ 60 deg
Recovered 31 ft. of G&OCWM 8% GAS, 38% OIL, 15% WTR, 39% MUD

Recovered <u>93</u> ft. of <u>TOTAL FLUID</u>	<u>CHLORIDES 5,000 Ppm</u>	Price Job
Recovered _____ ft. of _____	<u>PH 7.0</u>	Other Charges
Remarks: _____	<u>RW .64 @ 84 deg</u>	Insurance
TOOL SAMPLE: <u>12% GAS, 41% OIL, 17% WTR, 30% MUD</u>		Total

Time Set Packer(s) 3:05 A.M. A.M. P.M. Time Started Off Bottom 6:05 A.M. A.M. P.M. Maximum Temperature 134
Initial Hydrostatic Pressure (A) 2,094 P.S.I.
Initial Flow Period Minutes 30 (B) 7 P.S.I. to (C) 19 P.S.I.
Initial Closed In Period Minutes 45 (D) 1,152 P.S.I.
Final Flow Period Minutes 45 (E) 38 P.S.I. to (F) 57 P.S.I.
Final Closed In Period Minutes 60 (G) 1,141 P.S.I.
Final Hydrostatic Pressure (H) 2,094 P.S.I.

Diamond Testing shall not be liable for damages of any kind to the property or personnel of the one for whom a test is made or for any loss suffered or sustained, directly or indirectly, through the use of its equipment, or its statement or opinion concerning the result of any test. Tools lost or damaged in the hole shall be paid for at cost by the party for whom the test is made.


KANSAS
CORPORATION COMMISSION

Mark Parkinson, Governor
Thomas E. Wright, Chairman
Joseph F. Harkins, Commissioner
Ward Loyd, Commissioner

July 30, 2010

L. D. Drilling, Inc.
7 SW 26th Avenue
Great Bend, Kansas 67530

**RE: Exception to Alternate II Cementing Requirements
Darrel # 1-31
SWNWSW section 31-14-29W
Gove County, Kansas
API #15-063-21841-00-00**

Dear Ms. DeWerff,

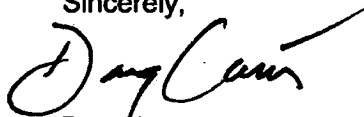
The Kansas Corporation Commission (KCC) has received your request, dated July 20, 2010, through District 4 Supervisor for an exception to Alternate II cementing requirements for the above referenced well. From this request, the KCC understands that subject well was not cemented to surface as required by the Alternate II option. Referenced well has 262 feet of surface casing set with 200 sacks of premium cement circulated to surface. A Sonic Cement Bond log indicates cement was circulated to 450 feet from a DV tool at 2139 feet with 400 sacks of cement. The bottom of fresh water is reported at 150 feet with the bottom of usable water listed at 1150 feet. The top of cement is in the Fort Hays limestone with the Smoky Hill chalk above with no water bearing zones.

After review of this matter by technical staff it was determined that:

1. Surface casing was set deeper than fresh water source in the area with cement coverage to protect the shallow aquifers.
2. All fresh and usable water sources are adequately protected with cement coverage and any remaining intervals not covered by cement contain no fresh or usable water zones.
3. The Dakota appears to be adequately isolated with cement and any remaining intervals not cemented contain no fresh or usable water nor present any threat of contamination from the shales in the intervals.

Based on this information that the fresh and usable water zones are adequately protected with cement coverage and that any remaining intervals not cemented behind the production casing contain no threat of contamination from the shales in the intervals. Therefore, an exception is granted for the Alternate II cementing requirement.

Sincerely,



Doug Louis
Director

cc: Case Morris – District 4
Steve Bond – Production Supervisor