

CONFIDENTIAL

ORIGINAL 12/19/08

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

Form ACO-1
October 2008
Form Must Be Typed

**WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE**

OPERATOR: License # 33979
 Name: Clipper Energy LLC
 Address 1: 3838 Oak Lawn
 Address 2: _____
 City: Dallas State: TX Zip: 75219 + _____
 Contact Person: Bill Robinson **CONFIDENTIAL**
 Phone: (214) 220-1080
 CONTRACTOR: License # 33724 **DEC 19 2008**
 Name: Warren Drilling, LLC **KCC**
 Wellsite Geologist: Bill Robinson
 Purchaser: Coffeyville
 Designate Type of Completion:
 New Well _____ Re-Entry _____ Workover
 Oil _____ SWD _____ SIOW
 _____ Gas _____ ENHR _____ SIGW
 _____ CM (Coal Bed Methane) _____ Temp. Abd.
 _____ Dry _____ Other _____
 (Core, WSW, Expl., Cathodic, etc.)

If Workover/Re-entry: Old Well Info as follows:
 Operator: _____
 Well Name: _____
 Original Comp. Date: _____ Original Total Depth: _____
 _____ Deepening _____ Re-perf. _____ Conv. to Enhr. _____ Conv. to SWD
 _____ Plug Back: _____ Plug Back Total Depth
 _____ Commingled _____ Docket No.: _____
 _____ Dual Completion _____ Docket No.: _____
 _____ Other (SWD or Enhr.?) _____ Docket No.: _____

<u>10-11-08</u>	<u>10-18-08</u>	<u>12-3-08</u>
Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date

API No. 15 - 15-053-21230-0000
 Spot Description: _____
 _____ SW SW NW Sec. 9 Twp. 16 S. R. 10 East West
2310 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: Ellsworth
 Lease Name: Vacek Well #: 1
 Field Name: Stoltenberg
 Producing Formation: Arbuckle
 Elevation: Ground: 1849 Kelly Bushing: 1856
 Total Depth: 3381 Plug Back Total Depth: 3387
 Amount of Surface Pipe Set and Cemented at: 422 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 cmt.

Drilling Fluid Management Plan AHINS 2-10-09
 (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.: _____

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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 82-3-109, 82-3-106 and 82-3-107 apply. Information of side two of this form will be held confidential for a period of 12 months if requested in writing and submitted with the form (see rule 82-3-107 for confidentiality in excess of 12 months). One copy of all wireline logs and geologist well report shall be attached with this form. ALL CEMENTING TICKETS MUST BE ATTACHED. Submit CP-4 form with all plugged wells. Submit CP-111 form with all temporarily abandoned wells.

All requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Signature: [Signature]
 Title: Geologist Date: 12-19-08
 Subscribed and sworn to before me this 19th day of December
 20 08.
 Notary Public: Sheryln Axelson
 Date Commission Expires: 7-24-12



KCC Office Use ONLY

Letter of Confidentiality Received
 If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution

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DEC 22 2008

CONSERVATION DIVISION
WICHITA, KS

Operator Name: Clipper Energy LLC Lease Name: Vacek Well #: 1
 Sec. 9 Twp. 16 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 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 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 <i>(Submit Copy)</i> List All E. Logs Run: RAG	<input checked="" type="checkbox"/> Log Formation (Top), Depth and Datum <input 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>T/Anhydrite</td> <td>638</td> <td>1218</td> </tr> <tr> <td>Arbuckle</td> <td>3286</td> <td>-1430</td> </tr> </table>	Name	Top	Datum	T/Anhydrite	638	1218	Arbuckle	3286	-1430
Name	Top	Datum								
T/Anhydrite	638	1218								
Arbuckle	3286	-1430								

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 1/4	8 5/8	23	422	common	275	3%cc + 2% gel
production	7 7/8	5 1/2	14	3389	common	225	500 gals WFR

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 <i>(Amount and Kind of Material Used)</i>	Depth
4	3301	natural	na

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TUBING RECORD:		Size:	Set At:	Packer At:	Liner Run:	CONSERVATION DIVISION WICHITA, KS	
	2 7/8		3275		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Date of First, Resumed Production, SWD or Enhr. 12-3-08		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 Bbbls.	Gas Mcf	Water Bbbls.	Gas-Oil Ratio	Gravity		
	10	0	50		36		

DISPOSITION OF GAS: <input checked="" type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	METHOD OF COMPLETION: <input type="checkbox"/> Open Hole <input checked="" type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTERVAL: _____ _____
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December 19, 2008

Kansas Corporation Commission
Finney State Office Building
1300 South Market
Room 2078
Wichita, KS 67202-3802

Re: ACO1 Filings, Vacek #1
API #15-053-21230

Gentlemen:

Clipper Energy, LLC hereby requests that the information included with this letter be held in confidence for the maximum time allowed.

Sincerely,

A handwritten signature in cursive script that reads "Sheryln Axelson".

Sheryln Axelson
Field Office Secretary

/sda

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CONSERVATION DIVISION
WICHITA, KS

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ALLIED CEMENTING CO., LLC.

REMIT TO P.O. BOX 31
RUSSELL, KANSAS 67665

SERVICE POINT:

DATE	SEC. 9	TWP. 16S	RANGE 12W	CALLED OUT	ON LOCATION	JOB START	JOB FINISH
LEASE	WELL #	LOCATION		COUNTY	STATE		
OLD OR <u>NEW</u> (Circle one)							

CONTRACTOR Union Oil & Gas #11

TYPE OF JOB Plugging

HOLE SIZE 7 1/2" T.D. 3390'

CASING SIZE 5 1/2" DEPTH 3386.50'

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES. MAX 1000' MINIMUM 400'

MEAS. LINE _____ SHOE JOINT 74.00'

CEMENT LEFT IN CSG. 1470'

PERFS. _____

DISPLACEMENT 83 BBLs of Cement

OWNER Clippers Energy

CEMENT AMOUNT ORDERED 225 sq Cement

EQUIPMENT

PUMP TRUCK # _____ CEMENTER Paul J.
HELPER Mark R.

BULK TRUCK # _____ DRIVER Kevin W. Powell

BULK TRUCK # _____ DRIVER _____

COMMON	<u>225 sq</u>	@	<u>13.5</u>	<u>3037.50</u>
POZMIX		@		
GEL		@		
CHLORIDE		@		
ASC		@		
KCL	<u>9.0 cu</u>	@	<u>30.00</u>	<u>270.00</u>
		@		
	<u>500 gal Water</u>	@	<u>1.00</u>	<u>500.00</u>
		@		
		@		
		@		
		@		
HANDLING	<u>225 sq</u>	@	<u>2.15</u>	<u>483.75</u>
MILEAGE	<u>225 sq x 30'</u>	@	<u>7.00</u>	<u>1575.00</u>
TOTAL				<u>5132.25</u>

REMARKS:

Plugging job, well 16S-12W-9S-11. Cemented to 3386.50' depth. 83 BBLs of cement used. 1470' of cement left in casing. 74.00' shoe joint. 500 gal water used. 9.0 cu KCL used. 225 sq cement used. Total cost 5132.25.

SERVICE

DEPTH OF JOB 3386.50'

PUMP TRUCK CHARGE 1150.00

EXTRA FOOTAGE _____ @ _____

MILEAGE 35 @ 7.00 245.00

MANIFOLD _____ @ _____

Head Pump @ 100

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CHARGE TO: Clippers Energy

STREET _____

CITY _____ STATE _____ ZIP _____

DEC 22 2008

TOTAL 2702.00

CONSERVATION DIVISION
WICHITA, KS
PLUG & FLOAT EQUIPMENT

1-AFU Float shoe	@	<u>515.00</u>	<u>515.00</u>
1-Late float plug Assy.	@	<u>447.00</u>	<u>447.00</u>
10-1/2" tubal 21.5	@	<u>77.00</u>	<u>770.00</u>
	@		
	@		
TOTAL <u>1432.00</u>			

To Allied Cementing Co., LLC.
You are hereby requested to rent cementing equipment and furnish cementer and helper(s) to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read and understand the "GENERAL TERMS AND CONDITIONS" listed on the reverse side.

SALES TAX (If Any) _____

TOTAL CHARGES _____

DISCOUNT _____ IF PAID IN 30 DAYS

PRINTED NAME X Joel Lawhorn

SIGNATURE X Joel Lawhorn

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KCC

GENERAL TERMS AND CONDITIONS

DEFINITIONS: In these terms and conditions, "ALLIED" shall mean Allied Cementing Co., LLC, 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 ALLIED 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 ALLIED, refunded directly to CUSTOMER. For purposes of this paragraph, ALLIED 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 terms of this Contract, the prevailing party shall be entitled to recover all expenses, including, but not limited to, a reasonable sum as and for attorney's fees.

—**PRICES AND TAXES:** All merchandise listed in ALLIED'S current price schedule are F.O.B. ALLIED'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 ALLIED shall be added to the quoted prices charged to CUSTOMER.

—**TOWING CHARGES:** ALLIED will make a reasonable attempt to get to and from each job site using its own equipment. Should ALLIED 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 ALLIED, 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 ALLIED for the expenses incurred by ALLIED as a result of the cancellation.

—**DEADHAUL, CHARGES:** Unless otherwise specified on the front of this Contract, a deadhaul charge as set forth in ALLIED'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. ALLIED carries public liability and property damage insurance, but since there are so many uncertain and unknown conditions beyond ALLIED'S control, ALLIED 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 ALLIED, 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 ALLIED'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 ALLIED or its employees.

2. With respect to any of ALLIED'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 ALLIED at the landing, CUSTOMER shall either recover the lost item without cost to ALLIED or reimburse ALLIED the current replacement cost of the item unless the loss or damage results from the sole negligence of ALLIED or its employees.

3. ALLIED 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. ALLIED 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. ALLIED'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 ALLIED to be defective. THIS IS THE SOLE WARRANTY OF ALLIED 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 ALLIED 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 ALLIED 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 ALLIED or any interpretation of tests, meter readings, chart information, analysis of research, or recommendations made by ALLIED, unless the inaccuracy or incorrectness is caused by the wilful misconduct or gross negligence of ALLIED or its employees in the preparation or furnishing of such facts, information or data.

(C) Work done by ALLIED shall be under the direct supervision and control of the CUSTOMER or his agent and ALLIED will accomplish the job as an independent contractor and not as an employee or agent of the CUSTOMER.

ALLIED CEMENTING CO., LLC. 32897

P.O. BOX 31
RUSSELL, KANSAS 67665

SERVICE POINT:
Great Bend

DATE <u>10-11-08</u>	SEC <u>9</u>	TWP. <u>16</u>	RANGE <u>10</u>	CALLED OUT <u>3:00pm</u>	ON LOCATION <u>5:00pm</u>	JOB START <u>7:30pm</u>	JOB FINISH <u>8:30pm</u>
LEASE <u>Vacek</u>	WELL # <u>1</u>	LOCATION <u>156 1/2 Wilson blk to 8 N to</u>			COUNTY <u>Ellsworth</u>	STATE <u>KS</u>	
OLD OR <input checked="" type="radio"/> NEW (Circle one)		<u>Ave P, 2 E to 3rd Rd, 2 N, 1/2 into</u>					

CONTRACTOR Warren #17

TYPE OF JOB surface

HOLE SIZE 12 1/4 T.D. _____

CASING SIZE 8 3/8 DEPTH 422.16

TUBING SIZE _____ DEPTH _____

DRILL PIPE _____ DEPTH _____

TOOL _____ DEPTH _____

PRES: MAX 200psi MINIMUM _____

MEAS. LINE _____ SHOE JOINT 20ft

CEMENT LEFT IN CSG. 20ft

PERFS. _____

DISPLACEMENT Fresh Water

EQUIPMENT

PUMP TRUCK CEMENTER Tyler

343 HELPER Jeff

BULK TRUCK

482 DRIVER John

BULK TRUCK

_____ DRIVER _____

REMARKS:

pipe on bottom, break circulation
mix 275sx, 3%cc, 2%gel, shut down,
Release plug, displace with 25 1/2 bbls
Fresh water, shutdown, close in
Rig down, cement did circulate

OWNER Clipper Energy

CEMENT

AMOUNT ORDERED 275sx 3%cc 2%gel

COMMON	<u>275</u>	@	<u>13.50</u>	<u>3712.50</u>
POZMIX		@		
GEL	<u>6</u>	@	<u>20.25</u>	<u>121.50</u>
CHLORIDE	<u>8</u>	@	<u>51.50</u>	<u>412.00</u>
ASC		@		
		@		
		@		
		@		
		@		
		@		
		@		
HANDLING	<u>297</u>	@	<u>2.25</u>	<u>650.25</u>
MILEAGE	<u>287x31 x.10</u>			<u>895.90</u>
				TOTAL <u>5792.15</u>

SERVICE

DEPTH OF JOB 422.16

PUMP TRUCK CHARGE _____ 991.00

EXTRA FOOTAGE 122 @ .75 91.50

MILEAGE 31 @ 7.50 232.50

MANIFOLD head Rent @ 110.00 110.00

RECEIVED _____ @ _____

KANSAS CORPORATION COMMISSION _____ @ _____

TOTAL 1425.00

CHARGE TO: Clipper Energy

STREET _____

CITY _____ STATE _____ ZIP _____

Thank You

To Allied Cementing Co., LLC.
You are hereby requested to rent cementing equipment and furnish cementer and helper(s) to assist owner or contractor to do work as is listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read and understand the "GENERAL TERMS AND CONDITIONS" listed on the reverse side.

PRINTED NAME X Benny Wright

SIGNATURE X Benny Wright

PLUG & FLOAT EQUIPMENT

8 3/8 wooden plug @ 66.00 66.00

_____ @ _____

_____ @ _____

_____ @ _____

_____ @ _____

TOTAL 66.00

SALES TAX (If Any) _____

TOTAL CHARGES _____

DISCOUNT _____ IF PAID IN 30 DAYS

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