

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

ORIGINAL

Form ACO-1
June 2009
Form Must Be Typed
Form must be Signed
Blanks must be Filled

OPERATOR: License # 32381
Name: K & S Oil
Address 1: 409 Randolph
Address 2: _____
City: McPherson State: KS Zip: 67460 + 1906
Contact Person: Jay Krehbiel
Phone: (620) 241-4901
CONTRACTOR: License # 32701
Name: C & G Drilling
Wellsite Geologist: Bruce Reed
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 #: _____
9/7/10 9/7/10 9/13/10
Spud Date or Date Reached TD Completion Date or
Recompletion Date Recompletion Date

API No. 15 - 159-22623-00-00
Spot Description: SWNENE
_____ Sec. 22 Twp. 20 S. R. 6 East West
637 Feet from North / South Line of Section
475 Feet from East / West Line of Section
Footages Calculated from Nearest Outside Section Corner:
 NE NW SE SW
County: Rice
Lease Name: Fry Well #: 7
Field Name: Welch Bornholdt
Producing Formation: _____
Elevation: Ground: 1576 Kelly Bushing: 1582
Total Depth: 3077 Plug Back Total Depth: _____
Amount of Surface Pipe Set and Cemented at: 200 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
(Data must be collected from the Reserve Pit)
Chloride content: 14200 ppm Fluid volume: 440 bbls
Dewatering method used: Vacuum Truck
Location of fluid disposal if hauled offsite:
Operator Name: K & S Oil
Lease Name: Lindholm License #: 32381
Quarter SW Sec. 13 Twp. 20 S. R. 6 East West
County: Rice Permit #: D-22231

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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 2010, Topeka, 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: 10-09-11

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: PLA Dlg Date: 10/20/11

Operator Name: K & S Oil Lease Name: Fry Well #: 7
 Sec. 22 Twp. 20 S. R. 6 East West County: Rice

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 Wireline 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: | <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>Heebner</td> <td>2562</td> <td>-980</td> </tr> <tr> <td>Lansing</td> <td>2774</td> <td>-1192</td> </tr> </table> | Name | Top | Datum | Heebner | 2562 | -980 | Lansing | 2774 | -1192 |
| Name | Top | Datum | | | | | | | | |
| Heebner | 2562 | -980 | | | | | | | | |
| Lansing | 2774 | -1192 | | | | | | | | |

| CASING RECORD <input type="checkbox"/> New <input checked="" 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 | 24.0 | 200 | Class A | 150 | 2% Gel 3% CC |
| | | | | | | | |
| | | | | | | | |

| ADDITIONAL CEMENTING / SQUEEZE RECORD | | | | |
|--|------------------|----------------|--------------|----------------------------|
| Purpose: | Depth Top Bottom | Type of Cement | # Sacks Used | Type and Percent Additives |
| <input type="checkbox"/> Perforate <input type="checkbox"/> Protect Casing <input type="checkbox"/> Plug Back TD <input type="checkbox"/> Plug Off Zone | | | | |
| | | | | |

| Shots Per Foot | PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated | Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used) | Depth |
|----------------|---|---|-------|
| | | | |
| | | | |
| | | | |
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| | | | |
|---|-----------|---|-----------------------------------|
| TUBING RECORD: Size: _____ Set At: _____ Packer At: _____ | | Liner Run: <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| Date of First, Resumed Production, SWD or ENHR. _____ | | Producing Method: <input type="checkbox"/> Flowing <input 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 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: _____ _____ |
|--|---|---|

Box 884, Chanute, KS 66720
620-431-9210 or 800-467-8676

FIELD TICKET & TREATMENT REPORT
CEMENT

| DATE | CUSTOMER # | WELL NAME & NUMBER | SECTION | TOWNSHIP | RANGE | COUNTY |
|---|------------|--------------------|---------|----------|---------|--------|
| 9-7-10 | 4535 | Fry #7 | 22 | 20S | 6W | Rice |
| CUSTOMER K&S Oil Co | | | TRUCK # | DRIVER | TRUCK # | DRIVER |
| MAILING ADDRESS 1520 N. Grimes St. | | | 446 | Jacob | | |
| CITY STATE ZIP CODE McPherson KS 67460 | | | 442 | Ted | | |

JOB TYPE Surface HOLE SIZE 12 1/4 HOLE DEPTH 205 ft CASING SIZE & WEIGHT 8 5/8" 24.0 lb
CASING DEPTH 204 ft DRILL PIPE _____ TUBING _____ OTHER New
SLURRY WEIGHT 15.0-15.5 SLURRY VOL _____ WATER gal/sk _____ CEMENT LEFT in CASING 20.0 ft
DISPLACEMENT 12.42 DISPLACEMENT PSI _____ MIX PSI _____ RATE _____

REMARKS: Safety Meeting Rig up to 8 5/8" Pump 150 sks class A 2% gel 3% CC, 1/4" Flo Seal pers. & disp. Cement to 184 ft. & shut in. Cement circulated in the collars, wash well rig down.

| ACCOUNT CODE | QUANTITY or UNITS | DESCRIPTION of SERVICES or PRODUCT | UNIT PRICE | TOTAL |
|-----------------|-------------------|------------------------------------|------------|---------|
| 54015 | 1 | PUMP CHARGE | 725.00 | 725.00 |
| 5406 | 80 | MILEAGE | 3.65 | 292.00 |
| 11045 | 150 sks | class A | 13.50 | 2025.00 |
| 11198 | 300 lbs | Gel | .20 | 60.00 |
| 1102 | 500 lbs | Calcium Chloride | .75 | 375.00 |
| 1107 | 75 lbs | Flo-Seal | 2.10 | 157.50 |
| 54074 | 7.05 Tons | 80 miles Bulk Del. | 1.20 | 676.80 |
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| KCC NICHITA | | | | |
| Subtotal | | | | 4511.30 |
| SALES TAX | | | | 191.09 |
| ESTIMATED TOTAL | | | | 4502.39 |

Rev'n 3737
AUTHORIZATION [Signature] TITLE Operator DATE _____

I acknowledge that the payment terms, unless specifically amended in writing on the front of the form or in the customer's account records, at our office, and conditions of service on the back of this form are in effect for services identified on this form.



CONSOLIDATED
Oil Well Services, LLC

REMIT TO
Consolidated Oil Well Services, LLC
Dept. 970
P.O. Box 4346
Houston, TX 77210-4346

MAIN OFFICE
P.O. Box 884
Chanute, KS 66720
620/431-9210 • 1-800/467-8676
FAX 620/431-0012

INVOICE

Invoice # 236868

Invoice Date: 09/28/2010 Terms: 0/30,n/30 Page 1

K & S OIL COMPANY
JAY KREHBIEL
1520 N. GRIMES ST.
McPHERSON KS 67460
(620)241-8826

FRY #7
28588
09-07-10

| Part Number | Description | Qty | Unit Price | Total |
|-------------|-----------------------------|--------|------------|---------|
| 1104S | CLASS "A" CEMENT (SALE) | 150.00 | 13.5000 | 2025.00 |
| 1118B | PREMIUM GEL / BENTONITE | 300.00 | .2000 | 60.00 |
| 1102 | CALCIUM CHLORIDE (50#) | 500.00 | .7500 | 375.00 |
| 1107 | FLO-SEAL (25#) | 75.00 | 2.1000 | 157.50 |
| Description | | Hours | Unit Price | Total |
| 442 | TON MILEAGE DELIVERY | 564.00 | 1.20 | 676.80 |
| 446 | CEMENT PUMP (SURFACE) | 1.00 | 725.00 | 725.00 |
| 446 | EQUIPMENT MILEAGE (ONE WAY) | 80.00 | 3.65 | 292.00 |

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Parts: 2617.50 Freight: .00 Tax: 191.09 AR 4502.39
Labor: .00 Misc: .00 Total: 4502.39
Sublt: .00 Supplies: .00 Change: .00

Signed _____ Date _____



CONSOLIDATED
Oil Well Services, LLC

REMIT TO
Consolidated Oil Well Services, LLC
Dept. 970
P.O. Box 4346
Houston, TX 77210-4346

MAN OFFICE
P.O. Box 884
Chanute, KS 66720
620/431-9210 • 1-800/487-8676
FAX 620/431-0012

INVOICE

Invoice # 236865

Invoice Date: 09/28/2010 Terms: 0/30,n/30

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K & S OIL COMPANY
JAY KREHBIEL
1520 N. GRIMES ST.
McPHERSON KS 67460
(620) 241-8826

FRY #7
28591
09-13-10

| Part Number | Description | Qty | Unit Price | Total |
|-------------|-------------------------|--------|------------|---------|
| 1131 | 60/40 POZ MIX | 145.00 | 11.3500 | 1645.75 |
| 1118B | PREMIUM GEL / BENTONITE | 580.00 | .2000 | 116.00 |

| Description | Hours | Unit Price | Total |
|---------------------------------|--------|------------|--------|
| 446 P & A OLD WELL | 1.00 | 625.00 | 625.00 |
| 446 EQUIPMENT MILEAGE (ONE WAY) | 80.00 | 3.65 | 292.00 |
| 502 TON MILEAGE DELIVERY | 545.20 | 1.20 | 654.24 |

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| | | | | | | | |
|--------|---------|-----------|-----|---------|---------|----|---------|
| Parts: | 1761.75 | Freight: | .00 | Tax: | 128.61 | AR | 3461.60 |
| Labor: | .00 | Misc: | .00 | Total: | 3461.60 | | |
| Sublt: | .00 | Supplies: | .00 | Change: | .00 | | |

Signed _____

Date _____

BARTLESVILLE, OK
918/338-0808

ELDORADO, KS
316/322-7022

EUREKA, KS
620/533-7654

GILLETTE, WY
307/685-4914

MCALISTER, OK
918/425-7537

OTTAWA, KS
785/242-0044

TRAYER, KS
620/302-5223

WICHITA, KS
316/347-4577



DRILLING INFORMATION AND GEOLOGICAL REPORT

Operator: K&S Oil Company
 Lease: #7 Fry
 Survey: 4,643' FSL / 475' FEL
 Section 22-20S-6W
 Field: Welch-Barnholdt
 County: Rice
 State: Kansas

Contractor: C&G Drilling, Inc.
 Elevation: 1576' GL / 1582' KB
 Surface Casing: 8-5/8" @ 200'
 Production: None
 Mud Up: 2489'
 Geologist: 2616'
 Pipe Strap: Pipe strap @ 3010' (0.49' short to the board)
 Survey: Straight hole @ 3010' (1/2 degree deviation)
 Testing: 1-Diamond Testing
 Log: Log Tech / Dual Compensated Porosity-Dual Induction
 RTD: 3077'
 LTD: 3077'

Daily Penetration

| | |
|----------|-------|
| 09/07/10 | Spud |
| 09/08/10 | 205' |
| 09/09/10 | 1371' |
| 09/10/10 | 2370' |
| 09/11/10 | 2873' |
| 09/12/10 | 3010' |
| 09/13/10 | 3077' |

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Drill Stem Tests

DST #1 2990' to 3010'. Weak surface blow that died in 7" on the initial flow period. No blow on the second flow period. Recovered: 2' Drilling Mud with oil spots. IFP/30" 41-21#, ISIP/30" 896#, FFP/30" 41-31#, FSIP/30" 829#.

Formation Tops

| <u>Formation</u> | <u>Sample Top</u> | <u>Datum</u> | <u>Log</u> | <u>Datum</u> | <u>Structural Comparison</u> |
|------------------|-------------------|--------------|------------|--------------|------------------------------|
| Heebner | 2562' | - 980 | 2562' | - 980 | |
| Lansing | 2774' | -1192 | 2772' | -1190 | +1 |

Reference well for structural comparison: Don T. Ingling, #4 Fry "J", C NE NE, Section 22-20S-6W, Rice County, Kansas

Zones of Interest

- 2781'-2788' Lansing/KC - Limestone, cream to tan. Fine crystalline, oolitic to oolitic. Poor to fair inter-oolitic porosity. There was no odor detected in the fresh sample. No shows of free oil or staining.
- 2885'-2895' Lansing/KC - Limestone, cream to white. Fine crystalline, oolitic to oolitic. Fair visible porosity. Sub-chalky to chalky. There was no odor detected in the fresh sample. No shows of free oil or staining.
- 2898'-2906' Lansing/KC - Limestone, buff to tan. Fine crystalline, oolitic to oolitic. Fair visible porosity. Sub-chalky in part. There was a very faint odor detected in the fresh sample. A light rainbow showing of free oil with very few pieces light brown staining. Mostly barren.
- 3002'-3007' Lansing/KC - Limestone, cream, white to tan. Fine crystalline to slightly fossiliferous. Poor visible intercrystalline porosity. Chalky in part. There was a faint odor detected in the fresh sample. Few pieces with a light rainbow showing of free oil and minor spotted staining. Mostly barren. This zone was covered in DST #1.
- 3056'-3062' Lansing/KC - Limestone, cream, white to light tan. Fine crystalline, oolitic to poorly developed oolitic porosity. Sub-chalky in part. There was no odor detected in the fresh sample. No shows of free oil or staining.

(See enclosed strip log for reference)

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Comments and Recommendations

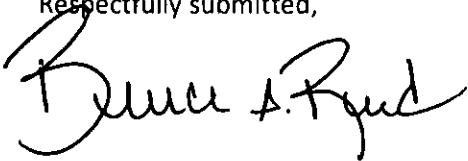
All tops have been corrected to the electric log for structural comparison. Structurally this test ran one (1) foot high to the show hole. Multiple zones of porosity were encountered in the Lansing / Kansas City formation. All zones were circulated and evaluated for shows of oil.

An interval in the Lansing / Kansas City formation from 3002' to 3007', which exhibited minor shows of oil, was embraced by Drill Stem Test #1. Non-commercial quantities of oil were recovered with decent bottom hole pressure.

Careful log analysis concluded that this zone was lacking porosity and had poor resistivity. It was therefore recommended to plug and abandon this test as a dry hole.

Drill cuttings have been delivered to the Kansas Geological Survey.

Respectfully submitted,

A handwritten signature in black ink that reads "Bruce A. Reed". The signature is written in a cursive, flowing style.

Bruce A. Reed – Well Site Geologist

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