

KCC

Operator Name: Mid-Continent Resources, Inc Lease Name: Nichols Well #: 2-36
 Sec. 36 Twp. 10 S. R. 32 East West County: Thomas

JUN 04 2010

CONFIDENTIAL

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 Yes No
 (Attach Additional Sheets)

Samples Sent to Geological Survey Yes No

Cores Taken Yes No

Electric Log Run Yes No

Electric Log Submitted Electronically Yes No
 (If no, Submit Copy)

List All E. Logs Run:
CNL/CDL/DIL/MEL/BHCS

<input checked="" type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample
Name	Top	Datum
Stone Corral	2547'	+490
Heebner	3996'	-959
Lansing	4034'	-997
Marmaton	4340'	-1303
Ft Scott	4503'	-1466
Johnson Sd	4572'	-1535
Mississippi	4629'	-1592

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#	306'	Common	185	3%cc2%gel
Production	7-7/8"	5-1/2"	17#	4715'	EA2	395	

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

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used)	Depth
4	4589'-4599'	1000 Gal 15%NE	Same
4	4436'-4442'	3000 Gal 15%NE	Same
4	4104'-4112'	500 Gal 15% MCA	Same

TUBING RECORD: Size: 2-3/8" Set At: 4695' Packer At: _____ Liner Run: Yes No

Date of First, Resumed Production, SWD or ENHR: N/A Producing Method: Flowing Pumping Gas Lift Other (Explain) _____

Estimated Production Per 24 Hours: Oil N/A Bbls. Gas N/A Mcf Water _____ Bbls. Gas-Oil Ratio _____ Gravity _____

DISPOSITION OF GAS: <input type="checkbox"/> Vented <input type="checkbox"/> Sold <input checked="" type="checkbox"/> Used on Lease (If vented, Submit ACO-18.)	METHOD OF COMPLETION: <input type="checkbox"/> Open Hole <input checked="" type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled (Submit ACO-5) (Submit ACO-4) <input type="checkbox"/> Other (Specify) _____	PRODUCTION INTERVAL: _____ _____
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ALLIED CEMENTING CO., LLC. 044518

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

SERVICE POINT: DAILY 195

DATE <u>3-30-10</u>	SEC <u>36</u>	TWP <u>10</u>	RANGE <u>32</u>	CALLED OUT	ON LOCATION <u>10:30 AM</u>	JOB START <u>11:30</u>	JOB FINISH <u>12:00 PM</u>
LEASE <u>Wichita</u>	WELL # <u>2-36</u>	LOCATION <u>Quincy Cemetery</u>	<u>1/2 mi</u>	COUNTY <u>Thomas</u>	STATE <u>KS</u>		
OLD OR NEW (Circle one) <u>NEW</u>				<u>4 1/2 in</u>			

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CONTRACTOR DUKA #4
 TYPE OF JOB Surface
 HOLE SIZE 1 3/4 I.D. 306
 CASINO SIZE 2 5/8 DEPTH 306
 TUBING SIZE _____ DEPTH _____
 DRILL PIPE _____ DEPTH _____
 TOOL _____ DEPTH _____
 PRES. MAX _____ MINIMUM _____
 MEAS. LINE _____ SHOULDER JOINT _____
 CEMENT LEFT IN CSG. 15'
 PERFS. _____
 DISPLACEMENT 18.5

OWNER _____
 CEMENT AMOUNT ORDERED 185 Com 306
2 1/2 qt
 COMMON 185 @ 15.45 2858.25
 POZMIX _____ @ _____ _____
 GEL 3 @ 20.00 60.00
 CHLORIDE 7 @ 59.25 414.75
 ASC _____ @ _____ _____
 HANDLING 185 @ 2.45 468.25
 MILEAGE 104.5 @ 3.12 325.84
 TOTAL 4109.29

EQUIPMENT
 PUMP TRUCK CEMENTER Evett
#431 HELPER Kelly
 BULK TRUCK #347 DRIVER Jerry
 BULK TRUCK _____ DRIVER _____

REMARKS:
cement did circulate
Plug down 2
Thanks Evett & crew

SERVICE
 DEPTH OF JOB 306
 PUMP TRUCK CHARGE _____ @ _____ 1018.00
 EXTRA FOOTAGE 6 @ 1.80 10.80
 MILEAGE 7 @ 2.00 14.00
 MANIFOLD _____ @ _____ _____
 TOTAL 1092.80

CHARGE TO: Mid Continent Reservoirs
 STREET _____
 CITY _____ STATE _____ ZIP _____

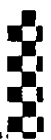
PLUG & FLOAT EQUIPMENT
1.8" plug @ _____ 68.00
 _____ @ _____ _____
 _____ @ _____ _____
 _____ @ _____ _____
 TOTAL 68.00

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.

5,208.05
 SALES TAX (If Any) _____
 TOTAL CHARGES _____
 DISCOUNT _____ IF PAID IN 30 DAY

PRINTED NAME _____
 SIGNATURE Rich Whelan

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 JUN 08 2010
 CONSERVATION DIVISION
 WICHITA, KS





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CHARGE TO: Mid Continent Resources
 ADDRESS:
 CITY, STATE, ZIP CODE:

JUN 07 2010

TICKET
 KQ 18441
 JUN 04 2010
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 PAGE 1 OF 2

CONSERVATION DIVISION
 WICHITA, KS

1. SERVICE LOCATIONS: Ness City, KS
 WELL/PROJECT NO.: 2-36 LEASE: Nichols COUNTY/PARISH: Thomas STATE: KS CITY: Ness City DATE: 4-6-10 OWNER:
 2. TICKET TYPE: SERVICE CONTRACTOR: Duke Drilling Co. RIG NAME/NO.: 4 SHIPPED VIA: Oakley DELIVERED TO: Oakley ORDER NO.:
 3. WELL TYPE: Oil WELL CATEGORY: Development JOB PURPOSE: Cement 5 1/2 Casing WELL PERMIT NO.: WELL LOCATION: Oakley, 1W, 1N, 100 1/2 NW
 4. REFERRAL LOCATION: INVOICE INSTRUCTIONS:

No. 0732

AMERICAN WARRIOR, INC.

JUN 7 2010 1:46PM

PRICE REFERENCE	SECONDARY REFERENCE/ PART NUMBER	ACCOUNTING			DESCRIPTION	QTY.		UNIT PRICE		AMOUNT
		LOC.	ACCT.	DE			U/M			
575		1			MILEAGE Trk # 114	70	mi	5	00	350.00
579		1			Pump Charge Two-Stage	1	ea	1750	00	1750.00
221		1			Liquid KCl	4	bu	25	00	100.00
281		1			Mud flush	500	gal	1	00	500.00
402		1			Centralizer	12	ea	5 1/2	00	660.00
403		1			Cement Basket	3	ea	5 1/2	00	600.00
407		1			Insert Float Shoe/AutoFill	1	ea	5 1/2	00	275.00
408		1			D.V. Tool + Plug Set	1	ea	5 1/2	00	2600.00
417		1			D.V. Latch Down Plug + Baffle	1	ea	5 1/2	00	200.00
419		1			Rotating Head Rental	1	ea	5 1/2	00	150.00

LEGAL TERMS: Customer hereby acknowledges and agrees to the terms and conditions on the reverse side hereof which include, but are not limited to, PAYMENT, RELEASE, INDEMNITY, and LIMITED WARRANTY provisions.

MUST BE SIGNED BY CUSTOMER OR CUSTOMER'S AGENT PRIOR TO START OF WORK OR DELIVERY OF GOODS

DATE SIGNED: 4-6-10 TIME SIGNED: 0430 P.M.
 [Signature]

REMIT PAYMENT TO:
 SWIFT SERVICES, INC.
 P.O. BOX 466
 NESS CITY, KS 67560
 785-798-2300

SURVEY	AGREE	UN-DECIDED	DIS-AGREE	PAGE TOTAL
OUR EQUIPMENT PERFORMED WITHOUT BREAKDOWN?				7185.00
WE UNDERSTOOD AND MET YOUR NEEDS?				Page # 2
OUR SERVICE WAS PERFORMED WITHOUT DELAY?				10131.25
WE OPERATED THE EQUIPMENT AND PERFORMED JOB CALCULATIONS SATISFACTORILY?				TAX
ARE YOU SATISFIED WITH OUR SERVICE?	<input type="checkbox"/> YES	<input type="checkbox"/> NO		TOTAL
<input type="checkbox"/> CUSTOMER DID NOT WISH TO RESPOND				

SWIFT OPERATOR: [Signature] APPROVAL: [Signature]
 CUSTOMER ACCEPTANCE OF MATERIALS AND SERVICES The customer hereby acknowledges receipt of the materials and services listed on this ticket.
 Thank You!

JOB LOG

SWIFT Services, Inc.

DATE 4-6-10 PAGE NO. 1

CUSTOMER: Mid Continent Resources WELL NO.: 2-36 LEASE: Nichols JOB TYPE: Cement 5 1/2 Casing TICKET NO.: 18441

CHART NO.	TIME	RATE (BPM)	VOLUME (BBL) (GAL)	PUMPS		PRESSURE (PSI)		DESCRIPTION OF OPERATION AND MATERIALS
				T	C	TUBING	CASING	
	0430							On Location
								5 1/2" 17# Cent. 1, 2, 4, 6, 8, 10, 12, 14, 17
								T.D. - 4720' 19, 52, 54
								J.P. - 4720' Basket 4, 19, 53
								P.S. - 4719' D.V. Tool - #53 2548'
								S.T. - 16'
	0500							Start 5 1/2 Casing
	0730							Break Circulation
	0830	6 3/4	32	✓			250	Pump Mud Flush + K.C.L. Flush
	0835	4		✓			250	Start Cement 17 Skts @ 15.5 spg
	0850		42					Shut Down - Release Plug - Wash Pump Lines
	0855	6 3/4		✓			200	Start Displacement
		6 3/4	50	✓			200	Switch to Mud
		6 3/4	82				300	Let Cement
							800	Max Lift
	0910		109.1				1500	Land Plug - Release - Held
								Drop Bomb - Let Fall - Wash Truck
	0930							Open D.V. Tool - Break Circulation
	0930	6 3/4	20	✓			200	Pump K.C.L. Flush
	0935	3	7	✓				Plug Rat Hole - 30 sks
	0940	5		✓				Start Cement 270 sks @ 11.2
	0910		150					Shut Down - Release Plug
	0910	6 3/4		✓			200	Start Displacement
		6	42.5				500	Cement to Surface
								30 sks top it
	1120		59.1				1750	Land Plug Release - Held
								Wash Truck
	1200							Job Complete
								Thank you
								Brett, Dave, Russ & Lane

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PO Box 466
Ness City, KS 67560
Off: 785-798-2300

TICKET CONTINUATION

TICKET No. 18441

CUSTOMER: Mid. Continent Resources WELL: Nichols 2-36 DATE: 4-6-10 PAGE 2 OF 2

No. 0732 P. 3

AMERICAN WARRIOR, INC.

1:46PM

Jun. 7. 2010

ITEM NO.	QUANTITY	UNIT	DESCRIPTION	WEIGHT	PRICE	TOTAL
325	1		Standard Cement EA-2	175 sks	12.00	2100.00
330	1		Swift Multi-Density Shred	300 sks	15.00	4500.00
276	1		Floccle	120 lbs	1.50	180.00
283	1		Salt	900 lbs	0.15	135.00
284	1		Calseal	8 sks	30.00	240.00
285	1		CFR-1	100 lbs	4.00	400.00
290	1		D-Air	5 gal	35.00	175.00
581	1		SERVICE CHARGE			
583	1					

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SERVICE CHARGE CUBIC FEET 4.75 PRICE 1.50 TOTAL 712.50
TOTAL WEIGHT 48250 LOADED MILES 70 TON MILES 1688.75 PRICE 1.00 TOTAL 1688.75

10131.25

Geological Report

Mid-Continent Resources, Inc.

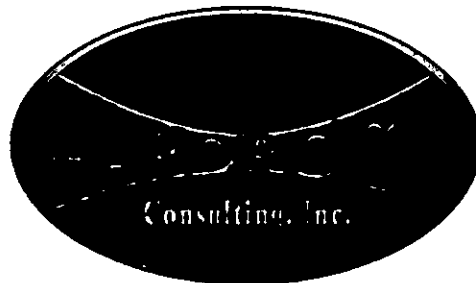
Nichols #2-36

2280' FSL & 1300' FEL

Sec. 36 T10s R32w

Thomas County, Kansas

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Mid-Continent Resources, Inc.

General Data

Well Data: Mid-Continent Resources, Inc.
Nichols #2-36
2280' FSL & 1300' FEL
Sec. 36 T10s R32w
Ness County, Kansas
API # 15-193-20775-0000

Drilling Contractor: Duke Drilling Co. Inc. Rig #4

Geologist: Jason Alm

Spud Date: March 30, 2010

Completion Date: April 6, 2010

Elevation: 3028' Ground Level
3037' Kelly Bushing

Directions: Oakley KS, 1 mi. West on Hwy 40, 1 mi. North on
county road, 1/8 Mi. West, North 1/2 mi. West into
location.

Casing: 306' 8 5/8" surface casing
4719' 5 1/2" production casing

Samples: 10' wet and dry, 3700' to RTD

Drilling Time: 3700' to RTD

Electric Logs: Log-Tech, Inc. "Kenyon Bange"
CNL/CDL, DIL, MEL, BHCS

Drillstem Tests: One, Trilobite Testing, Inc. "Brandon Domsch"

Problems: None

Remarks: After DST #1 the oil in the mud caused the gas
detector to give inaccurate readings.

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Formation Tops

Formation	Mid-Continent, Res. Nichols #2-36 Sec. 36 T10s R32w 2280' FSL & 1300' FEL
Anhydrite	2547', +490
Base	2578', +459
Heebner	3996', -959
Lansing	4034', -997
Stark	4253', -1216
BKc	4312', -1275
Marmaton	4340', -1303
Pawnee	4435', -1398
Myrick Station	4482', -1445
Fort Scott	4503', -1466
Cherokee	4530', -1493
Johnson	4572', -1535
Mississippian	4629', -1592
RTD	4720', -1683
LTD	4720', -1683

Sample Zone Descriptions

- LKc "C"** (4068', -1031): Not Tested
Ls – Fine crystalline, fossil oolites with poor oomoldic and pinpoint vuggy porosity, light oil stain in porosity, no show of free oil. No gas kick.
- LKc "E"** (4104', -1067): Covered in DST #1
Ls – Fine crystalline, fossil oolites with poor to fair oomoldic porosity, light to good oil stain in porosity, good odor, fair to good yellow fluorescents, 27 units hotwire.
- LKc "J"** (4238', -1201): Not Tested
Ls – Fine crystalline, fossil oolites with pinpoint oomoldic, oolitic and poor inter-crystalline porosity, light oil stain in porosity, mostly dense.
- LKc "L"** (4238', -1201): Not Tested
Ls – Fine crystalline with poor to fair inter-crystalline and vuggy porosity, light oil stain in porosity, no show of free oil.

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008 1561
LCC1

- Marmaton (4340', -1303): Not Tested**
Ls – Fine crystalline with pinpoint vuggy and inter-crystalline porosity, light to fair oil stain and saturation, slight show of free oil when broken, light odor.
- Pawnee (4435', -1398): Not Tested**
Ls – Fine crystalline, slight fossil oolites with poor oolitic porosity, poor to fair inter-crystalline and pinpoint vuggy porosity, light to fair oil stain and saturation in porosity, show of free oil, excellent white to yellow fluorescents, good odor.
- Myrick Station (4482', -1445): Not Tested**
Ls – Fine to medium crystalline, slight fossil with poor to fair inter-crystalline and vuggy porosity, light to fair scattered oil stain, slight show of free oil when broken, good yellow fluorescents.
- Johnson Sand (4589', -1552): Not Tested**
Ss – Quartz, fine grained, well rounded, well sorted, poorly cemented with fair inter-granular porosity, fair oil stain in cluster, show of free oil when broken, light odor.

Drill Stem Tests
Trilobite Testing, Inc.
"Brandon Domsch"

DST #1	<u>LKc "E-F" zones</u>	
	Interval (4095' – 4130') Anchor Length 35'	
	IHP – 1997 #	
	IFP – 30" – B.O.B. 6 ½ min.	28-140 #
	ISI – 45" – Dead	1035 #
	FFP – 30" – B.O.B. 11 min.	150-237 #
	FSI – 45" – Built to 3 in.	965 #
	FHP – 2049 #	
	BHT – 118°F	
	Recovery:	
	250' GIP	
	186' CGO	37° API
	191' WMCO	75% Oil, 20% Water
	90' MCWW	
	30' Mud	

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Structural Comparison

	Mid-Continent, Res. Nichols #2-36 Sec. 36 T10s R32w 2280' FSL & 1300' FEL	Energy Exploration Nichols #3 Sec. 36 T10s R32w 990' FSL & 990' FEL		Mid-Continent, Res. George #A-1 Sec. 36 T10s R32w 2970' FSL & 330' FEL	
Formation					
Anhydrite	2547', +490	2555', +482	(+8)	NA	NA
Base	2578', +459	NA	NA	NA	NA
Heebner	3996', -959	3998', -961	(+2)	NA	NA
Lansing	4034', -997	4038', -1001	(+4)	4028', -1019	(+22)
Stark	4253', -1216	NA	NA	NA	NA
BKc	4312', -1275	4316', -1279	(+4)	NA	NA
Marmaton	4340', -1303	4344', -1307	(+4)	NA	NA
Pawnee	4435', -1398	4436', -1399	(+1)	NA	NA
Myrick Station	4482', -1445	NA	NA	NA	NA
Fort Scott	4503', -1466	4504', -1467	(+1)	NA	NA
Cherokee	4530', -1493	4531', -1494	(+1)	4528', -1519	(+26)
Johnson	4572', -1535	4574', -1537	(+2)	NA	NA
Mississippian	4629', -1592	4638', -1601	(+9)	4672', -1663	(+71)

Summary

The location for the Nichols #2-36 was found via 3-D seismic survey. The new well ran structurally as expected via the survey. One drill stem test was conducted which recovered commercial amounts of oil from the Lansing-Kansas City Formation. After all gathered data had been thoroughly examined the decision was made to run 5 ½ in. production casing to further evaluate the Nichols #2-36 well.

Recommended Perforations

Primary:

LKc "E": (4104' – 4112') **DST #1**
Pawnee: (4436' – 4442') **Not Tested**

Secondary:

Johnson Sand: (4589' – 4599') **Not Tested**
LKc "L": (4298' – 4306') **Not Tested**
LKc "J": (4238' – 4242') **Not Tested**
LKc "C": (4068' – 4072') **Not Tested**

Before Abandonment:

Marmaton: (4340' – 4350') **Not Tested**
Myrick Station: (4483' – 4486') **Not Tested**

Respectfully Submitted,

Jason Alm
 Hard Rock Consulting, Inc.

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