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

Form ACO-1

June 2009

Form Must Be Typed

Form must be Signed

All blanks must be Filled

OPERATOR: License # 34224

Name: Red Cloud Exploration Operating LLC

Address 1: 22287 Mulholland Hwy #350

Address 2:

City: Calabasas State: CA Zip: 91302 +

Contact Person: Kevin Sylla

Phone: (415) 8509183

CONTRACTOR: License # 33986

Name: Owens Petroleum Services LLC

Wellsite Geologist: George Peterson

Purchaser: Coffeyville Resources

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 #:

6-22-11

6-24-11

8-01-11

Spud Date or
Recompletion Date

Date Reached TD

Completion Date or
Recompletion Date

API No. 15 - 207-2760-0000

Spot Description:

SE NW NE SE Sec. 19 Twp. 25 S. R. 16 ☒ East ☐ West2,145 Feet from ☐ North / ☒ South Line of Section825 Feet from ☒ East / ☐ West Line of Section

Footages Calculated from Nearest Outside Section Corner:

☐ NE ☐ NW ☐ SE ☐ SW

County: Woodson

Lease Name: Weber Well #: 3-10

Field Name: Owl Creek

Producing Formation: Squirrel

Elevation: Ground: 953 Kelly Bushing: 22.60

Total Depth: 880 Plug Back Total Depth:

Amount of Surface Pipe Set and Cemented at: 40 Feet

Multiple Stage Cementing Collar Used? ☐ Yes ☒ No

If yes, show depth set: Feet

If Alternate II completion, cement circulated from: 880

feet depth to: 0 w/ 87 sx cmt.

Drilling Fluid Management Plan

(Data must be collected from the Reserve Pit)

Chloride content: Fresh ppm Fluid volume: 250 bbls

Dewatering method used: pumped out

Location of fluid disposal if hauled offsite:

Operator Name:

Lease Name: License #:

Quarter Sec. Twp. S. R. ☐ East ☐ West

County: Permit #:

INSTRUCTIONS: An original and two copies of this form shall be filed with the Kansas Corporation Commission, 130 S. Market - Room 2078, Wichita, Kansas 67202, within 120 days of the spud date, recompletion, workover or conversion of a well. Rule 82-3-130, 82-3-106 and 82-3-107 apply. Information of side two of this form will be held confidential for a period of 12 months if requested in writing and submitted with the form (see rule 82-3-107 for confidentiality in excess of 12 months). One copy of all wireline logs and geologist well report shall be attached with this form. ALL CEMENTING TICKETS MUST BE ATTACHED. Submit CP-4 form with all plugged wells. Submit CP-111 form with all temporarily abandoned wells.

AFFIDAVIT

I am the affiant and I hereby certify that all requirements of the statutes, rules and regulations promulgated to regulate the oil and gas industry have been fully complied with and the statements herein are complete and correct to the best of my knowledge.

Signature:

Title:

Date:

5 NOV 12

KCC Office Use ONLY

☐ Letter of Confidentiality Received

Date:

☐ Confidential Release Date:☒ Wireline Log Received☒ Geologist Report Received☐ UIC DistributionALT ☐ I ☒ II ☐ III

Approved by: Dlg Date: 11/8/12

Operator Name: Red Cloud Exploration Operating LLC Lease Name: Weber Well #: 3-10
 Sec. 19 Twp. 25 S. R. 16 ☒ East ☐ West County: Woodson

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:

GAMMA/NEUTRON/CCL

☒ Log Formation (Top), Depth and Datum ☐ Sample

Name	Top	Datum
U.Squirrel	772	+168
L.Squirrel	801	+139

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CASING RECORD <input type="checkbox"/> New <input type="checkbox"/> Used							
Report all strings set-conductor, surface, intermediate, production, etc.							
Purpose of String	Size Hole Drilled	Size Casing Set (In O.D.)	Weight Lbs. / Ft.	Setting Depth	Type of Cement	# Sacks Used	Type and Percent Additives
Surface	11 5/8	7"	17	40	Monarch	20	
Production Casing	5 5/8	2 7/8"	7	880	OWC	87	NONE

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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	802-812	Spotted 1 BBL of 15% HCL on zone; frac with 150 sand	

TUBING RECORD:		Size:	Set At:	Packer At:	Liner Run:		
		2 7/8	880		<input type="checkbox"/> Yes <input type="checkbox"/> No		
Date of First, Resumed Production, SWD or ENHR.				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.	Gravity
	1		0		1		24

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

Kepley Well Service, LLC

19245 Ford Road
Chanute, KS 66720

Date

6/25/2011

Invoice #

45584

Cement Treatment Report

Red Cloud Exploration Operating LLC
ATTN: Kevin Sylla
161 St. Andrews Drive, 3rd Floor
Lawrence, KS 66047

(x) Landed Plug on Bottom at 600 PSI
() Shut in Pressure
(x) Good Cement Returns
() Topped off well with _____ sacks
(x) Shut in

TYPE OF TREATMENT: Production Casing
HOLE SIZE: 5 5/8"
TOTAL DEPTH: 880

Well Name	Terms	Due Date		
Weber	Net 15 days	7/10/2011		
Service or Product		Qty	Per Foot Pricing/Unit Pricing	Amount
Run and cement 2 7/8"		862	3.00	2,586.00
Sales Tax			7.30%	0.00
<div>Webber Woodson County Section: Township: Range:</div>				

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Hooked onto 2 7/8" casing. Established circulation with 5 barrels of water, 2 GEL, METSO, COTTONSEED ahead, blended 87 sacks of OWC, dropped rubber plug, and pumped 4.9 barrels of water

Total	\$2,586.00
Payments/Credits	\$-1,500.00
Balance Due	\$1,086.00

GEOLOGISTS REPORT

For

RED CLOUD EXPLORATION OPERATING LLC

WEBER 3-10

API # 15-207-27671

NE ¼, NW ¼, NE ¼, SE ¼,

Sec 19, T25S, R16E

Woodson County, Kansas

The formation tops and intervals for this report were taken from the Gamma / Neutron log and are based on a ground level elevation of 940' which was taken from a U.S.G.S 7 ½, minute quad sheet.

	<i>Depth</i>	<i>Datum</i>	<i>Thickness</i>
<i>Base Kansas City Group:</i>	420	+520	
<i>Altamont ls</i>	602	+338	
<i>Mulkey coal</i>	770	+170	
<i>U. Squirrel sd</i>	772	+168	10'
<i>L. Squirrel</i>	801	+139	10'

RTD 868 LTD 859

Sample returns were examined microscopically and under black light from the middle of the Pawnee limestone through the Squirrel sand sequence. Samples were caught at 2 foot intervals until the top of the lower Squirrel was found and then samples were caught at 4-6 foot intervals.

There was an odor again noted in samples from the lower Pawnee limestone in this well. There was a show of oil along with slight cut and fluorescence under black light. The oil was in a zone of pinpoint porosity along with some oil in calcite filled fractures. It is recommended that a good set of open hole logs be run to get good resistivity and porosity data on a new well in this field.

The upper Squirrel appears to be a thin sand with inter-bedded shale laminations. There were no visible shows of oil although there appeared to be a slight odor present. This zone should be completed at a later time to further evaluate its potential.

The lower Squirrel was reached at a log depth of 801 feet. This interval has a total thickness of 10 feet.

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The samples consisted of a fine to medium grained quartz sand that appeared to have shale laminations throughout the unit. The log also indicates that there are shale laminations within the unit. There was a strong petroleum odor present in the samples and a good show of medium brown free oil. There was good yellow fluorescence when exposed to a black light. This oil show continued for some time and when the Gamma log was run the log indicated that the sand continued with increasing amounts of shale and shale partings to about 811 feet.

Based on the log response and the show of oil in the samples, the determination was made to perforate from 802-812 with 4 shots per foot.

CONCLUSIONS AND RECOMMENDATIONS:

This well appears to have the potential to produce commercial quantities of oil. To evaluate which direction to develop the lease, it becomes important to obtain reasonably accurate elevations on the existing wells so that cross sections can be developed to aid in determining the best way to develop the lease.

At some point a good set of logs, to include both resistivity and compensated neutron density/porosity logs will be necessary, if there is a need to develop reserve information.

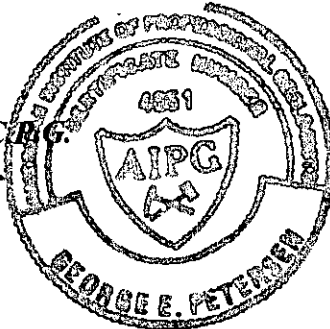
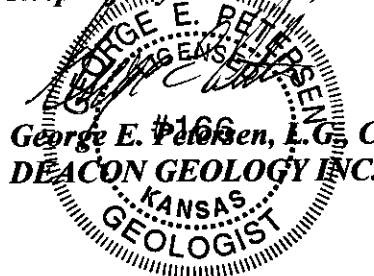
The oil show that appears to be from the lower Pawnee limestone between 756 and 760 needs to be perforated and a small 10% acid treatment be completed to evaluate the zone.

DISCLAIMER:

The author of this report has no working or over riding royalty interest in this well or in any wells on this lease. This report is based on the opinions and observations of the author based on training, experience gained from other wells in the area and information gained from the samples and logs from this well.

Should additional information be required, please contact me.

Respectfully submitted;



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