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APR 16 2002 4-16-02

KANSAS CORPORATION COMMISSION
OIL & GAS CONSERVATION DIVISION

Form ACO-1
September 1999
Form Must Be Typed

KCC WICHITA

WELL HISTORY - DESCRIPTION OF WELL & LEASE

CONFIDENTIAL

ORIGINAL

Operator: License # 31021
Name: Castelli Exploration, Inc.
Address: 6908 NW 112th Street
City/State/Zip: Oklahoma City, Ok 73162
Purchaser:
Operator Contact Person: Thomas P. Castelli
Phone: (405) 722-5511
Contractor: Name: L.D. Drilling, Inc.
License: 6039
Wellsite Geologist:

API No. 15 - 047-21460-00-00
County: Edwards
S 1/2 NE NE Sec. 1 Twp. 25 S. R. 16 East West
990 N feet from S (N) (circle one) Line of Section
500 E feet from (E) W (circle one) Line of Section

Footages Calculated from Nearest Outside Section Corner:
(circle one) NE SE NW SW
Lease Name: Martin/Spain Well #: 2
Field Name:

Designate Type of Completion:
 New Well Re-Entry Workover
 Oil SWD SIOW Temp. Abd.
 Gas ENHR SIGW
 Dry Other (Core, WSW, Expl., Cathodic etc)

Producing Formation:
Elevation: Ground: 2058 Kelly Bushing: 2063
Total Depth: 2250 Plug Back Total Depth:
Amount of Surface Pipe Set and Cemented at 268 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.

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

Drilling Fluid Management Plan (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.: _____

12-14-01 12-17-01
Spud Date or 1-2-28-01
Recompletion Date Date Reached TD Completion Date or
Recompletion Date

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.

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: President Date: 3/21/02
Subscribed and sworn to before me this 21st day of March
2002
Notary Public: [Signature]
Date Commission Expires: Feb. 10, 2005

KCC Office Use ONLY
 Letter of Confidentiality Attached
If Denied, Yes Date: _____
 Wireline Log Received
 Geologist Report Received
 UIC Distribution

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Side Two

ORIGINAL

Operator Name: Castelli Exploration, Inc. Lease Name: Martin/Spain Well #: 2
Sec. 1 Twp. 25 S. R. 16 East West County: Edwards

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 Yes No
(Attach Additional Sheets)
Samples Sent to Geological Survey Yes No
Cores Taken Yes No
Electric Log Run Yes No
(Submit Copy)

Log Formation (Top), Depth and Datum Sample
Name Top Datum

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APR 16 2002
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List All E. Logs Run:
CHK - CDH
OH

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	12 1/4"	8 5/8"	23#	268	60/40 poz	185	2%g 3%cc
production	7 7/8"	4 1/2"	10.5	2248	Econobond	125	3%FLA-322

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 (Amount and Kind of Material Used)	Depth

TUBING RECORD		Size	Set At	Packer At	Liner Run
		2-3/8"	2102.80		<input type="checkbox"/> Yes <input type="checkbox"/> No
Date of First, Resumed Production, SWD or Enhr.		Producing Method			
		<input checked="" type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)			
Estimated Production Per 24 Hours	Oil Bbbs.	Gas Mcf	Water Bbbs.	Gas-Oil Ratio	Gravity
	0	90	5		

Disposition of Gas Vented Sold Used on Lease (If vented, Submit ACO-18.)
METHOD OF COMPLETION Open Hole Perf. Dually Comp. Commingled Other (Specify)
Production Interval

APR 02 2003
From
Confidential

ALLIED CEMENTING CO., INC.

08502

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Federal Tax I.D.# 48-0727860

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

SERVICE POINT: **ORIGINAL**
Great Bend

DATE <u>12-15-01</u>	SEC. <u>1</u>	TWP. <u>25</u>	RANGE <u>16</u>	CALLED OUT <u>10:30 pm</u>	ON LOCATION <u>12:30 am</u>	JOB START <u>2:15 am</u>	JOB FINISH <u>3:22 am</u>
LEASE <u>Martin Spain</u>	WELL # <u>2</u>	LOCATION <u>Macksville - 3 West - 3 1/4</u>			COUNTY <u>Edwards</u>	STATE <u>KS</u>	
OLD OR <u>NEW</u> (Circle one)		SOUTH - West into					

CONTRACTOR L. D. Dalg OWNER Castelli Exploration

TYPE OF JOB Surface
HOLE SIZE 12 1/4 T.D. 271'
CASING SIZE 8 5/8 DEPTH 270'
TUBING SIZE DEPTH
DRILL PIPE DEPTH
TOOL DEPTH
PRES. MAX MINIMUM
MEAS. LINE SHOE JOINT

CEMENT AMOUNT ORDERED 185 sy 60/40 3 & 2

CEMENT LEFT IN CSG. approx 15'

COMMON	<u>111</u>	@	<u>6.65</u>	<u>738.15</u>
POZMIX	<u>74</u>	@	<u>3.55</u>	<u>262.70</u>
GEL	<u>3</u>	@	<u>10.00</u>	<u>30.00</u>
CHLORIDE	<u>6</u>	@	<u>30.00</u>	<u>180.00</u>

PERFS. KCC

DISPLACEMENT

EQUIPMENT APR 02 2002
PUMP TRUCK CEMENTER Jack
120 HELPER Steve
BULK TRUCK DRIVER honnie
342
BULK TRUCK DRIVER

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HANDLING	<u>194</u>	@	<u>1.10</u>	<u>213.40</u>
MILEAGE	<u>46</u>	@		<u>356.96</u>

TOTAL \$ 1781.21

REMARKS:

Run 6 jts 8 5/8 - cement with 185 sy cement - Dic place with 16 1/2 BBL's Fresh Water - Cement Did Circ. ✓

Thanks

SERVICE Release

APR 02 2003

DEPTH OF JOB	<u>270'</u>		
PUMP TRUCK CHARGE		From	<u>520.00</u>
EXTRA FOOTAGE		Confidential	
MILEAGE	<u>46</u>	@	<u>3.00</u> <u>138.00</u>
PLUG <u>8 5/8</u> with TWP		@	<u>45.00</u> <u>145.00</u>

TOTAL \$ 703.00

CHARGE TO: Castelli Exploration
STREET 6908 N.W. 112th Street
CITY Oklahoma city STATE OKLA. ZIP

FLOAT EQUIPMENT

@		
@		
@		
@		
@		

TOTAL

To Allied Cementing Co., Inc.
You are hereby requested to rent cementing equipment and furnish cementer and helper 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 & understand the "TERMS AND CONDITIONS" listed on the reverse side.

TAX - 0 -
TOTAL CHARGE \$ 2484.21
DISCOUNT \$ 248.42 IF PAID IN 30 DAYS

SIGNATURE Michael Pedigo

Michael Pedigo
PRINTED NAME

~~Net \$ 2235.79~~

GENERAL TERMS AND CONDITIONS

DEFINITIONS: In these terms and conditions, "Allied" shall mean Allied Cementing Co., Inc., 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.



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FIELD ORDER

INVOICE NO.	Subject to Correction		
Date 12-17-01	Lease Martin Spain	Well # 2	Legal 1-25s-16w
Customer ID	County Edwards	State KS	Station Pratt KS
CHARGE Castelli Exploration	Depth	Formation TP = 2250' 10.5pp	Shoe Joint 25.10
	Casing 4 1/2	Casing Depth 512 2248	TD 2250
	Job Type longstring New Well	Customer Representative Rick Popp	Treater D. Scott

AFE Number	PO Number	Materials Received by X Ruby Popp
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Product Code	QUANTITY	MATERIAL, EQUIPMENT and SERVICES USED	UNIT PRICE	AMOUNT	ACCOUNTING	
					CORRECTION	AMOUNT
D204	125 ski	EconoBond Common	✓			
D203	25 ski	60/40 poz Common	✓			
C196	33 lbi	FLA-322	✓			
C243	11 lbi	Defoamer	✓			
C302	500 gal	mud flush	✓		KCC	
C303	250 gal	Supr flush	✓		APR 02 2002	
F160	1 ca	4 1/2 Guide Shoe	✓		CONFIDENTIAL	
F200	1 ca	ISFV 4 Fill 4 1/2 in	✓			
F100	4 ca	Turbolizers	✓			
F130	1 ca	Top Swiper Plug	✓			
C196	35 lbi	Pell Floke	✓			
E107	150 ski	Cmt Serv Charge				
E100	1 ca	UNITS 1 way MILES 45				Release
E104	290 tm	TONS 1 way MILES 45				Release
R205	1 ca	EA. 2001-2500' PUMP CHARGE				APR 02 2002
R201	1 ca	Cmt Head Rental				From
R202	1 ca	Csg Swive Rental				Confidential
		Discounted Price = 4581.31				



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TREATMENT REPORT

04091

Customer ID	Date	ORIGINAL	
Customer	Castelli Explor 12-17-01		
Lease	Lease No.	Well # 2	
Martin Spain			

Field Order # 04148	Station Pratt KS	Casing 4 1/2	Depth 2248	County Edwards	State KS
Type Job	Long String New well			Formation	Legal Description
					1-255-16w

PIPE DATA		PERFORATING DATA		FLUID USED		TREATMENT RESUME		
Casing Size 4 1/2	Tubing Size	Shots/Ft		Acid		RATE	PRESS	ISIP
Depth 2225	Depth PBTD	From	To	Eano bond			1300	5 Min.
Volume 35.3	Volume	From	To	1.8% FLA-322, 1 Dole	Max			10 Min.
Max Press 1600	Max Press	From	To	Pad 7.48 13.8 ppg	Min			15 Min.
Well Connection	Annulus Vol.	From	To	Frac 32.9 Bbls SL	Avg			Annulus Pressure
Plug Depth	Packer Depth	From	To	25 skt 60/40 por	HHP Used			Total Load
		From	To	Flush Mud flush + Super flush	Gas Volume			

Customer Representative	Rick Popp	Station Manager	Dave Austry	Treater	D. Scott
Service Units	106	23	30	70	

Time	Casing Pressure	Tubing Pressure	Bbls. Pumped	Rate	Service Log
0900				KCC	On loc. Safety mtg
				APR 02 2002	Cent 1-2-3-4 Guide Shoe Bottom ST
				CONFIDENTIAL	Insert Top Shoe JT
					Csg on Bottom Drop Ball + Circ 1/8" rig
1034	300		12	6	St mud flush
1037	300		3	6	H2O Spacer
1041	300		6	6	St Super Flush
1043	300		5	6	H2O Spacer
1046	400		32.9	6.5	St mixing cmf 13.8 ppg 125 skt
1058	0		10	0	Chase In a wash Pump + line
1100	100			7.5	Release Plug + St Disp w/H2O
1103	300			6.0	Lifting cmf 22 Bbls Disp Out
1106	1000		35.3	0	Plug Down + psi Test Csg
1108	0				Release Held
					Rotated Csg During Job
					Good Circ, Plug R. H. 1/15 skt 60/40
					Release
					APR 02 2003
					From Confidential
					Job Complete
					Thank you Scott