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2-11-03

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

FEB 11 2003

Form ACO-1  
September 1999  
Form Must Be Typed

KCC WICHITA

WELL COMPLETION FORM  
WELL HISTORY - DESCRIPTION OF WELL & LEASE

ORIGINAL

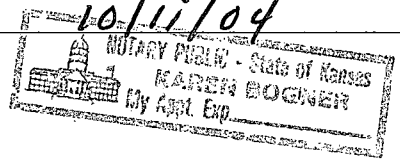
Operator: License # 5317  
 Name: Continental Energy  
 Address: P.O. Box 918  
 City/State/Zip: Garden City, KS 67846-0918  
 Purchaser: NONE  
 Operator Contact Person: Russ Freeman  
 Phone: (620) 276-8710  
 Contractor: Name: Border-Line / Cheyenne Drilling  
 License: 7840 / 5382  
 Wellsite Geologist: NONE  
 Designate Type of Completion:  
 New Well  Re-Entry  Workover  
 Oil  SWD  SLOW  Temp. Abd.  
 Gas  ENHR  SIGW  
 Dry  Other (Core, WSW, Expl., Cathodic, etc)  
 If Workover/Re-entry: Old Well Info as follows:  
 Operator: F. Kirk Johnson  
 Well Name: Kisner #1  
 Original Comp. Date: 12/28/55 Original Total Depth: 5120'  
 Deepening  Re-perf.  Conv. to Enhr./SWD  
 Plug Back 2806' Plug Back Total Depth  
 Commingled Docket No. \_\_\_\_\_  
 Dual Completion Docket No. \_\_\_\_\_  
 Other (SWD or Enhr.?) Docket No. \_\_\_\_\_  
11/12/02 12/22/02 1/22/03  
 Spud Date of START Date Reached TD Completion Date of  
 OF WORKOVER WORKOVER

API No. 15 - 055-10089-00-01  
 County: Finney  
SW SW SW Sec. 21 Twp. 24 S. R. 31  East  West  
330 feet from S / N (circle one) Line of Section  
330 feet from E W (circle one) Line of Section  
 Footages Calculated from Nearest Outside Section Corner:  
 (circle one) NE SE NW SW  
 Lease Name: Kisner "OWWO" Well #: 1-21  
 Field Name: Hugoton  
 Producing Formation: Chase  
 Elevation: Ground: 2902 Kelly Bushing: \_\_\_\_\_  
 Total Depth: 2855 Plug Back Total Depth: 2806  
 Amount of Surface Pipe Set and Cemented at 582 Feet  
 Multiple Stage Cementing Collar Used?  Yes  No  
 If yes, show depth set \_\_\_\_\_ Feet  
 If Alternate II completion, cement circulated from 2855'  
 feet depth to surface w/ 675 sx cmt.  
 Drilling Fluid Management Plan ALT 2 9th 4/23/03  
 (Data must be collected from the Reserve Pit)  
 Chloride content 14000 ppm Fluid volume 500 bbls  
 Dewatering method used evaporation  
 Location of fluid disposal if hauled offsite:  
 Operator Name: \_\_\_\_\_  
 Lease Name: \_\_\_\_\_ License No.: \_\_\_\_\_  
 Quarter: \_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_ East West  
 County: \_\_\_\_\_ Docket No.: \_\_\_\_\_

**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] Jeff Kidd  
 Title: Production Supervisor Date: 2-10-03  
 Subscribed and sworn to before me this 10th day of Feb  
19 2003  
 Notary Public: Karen Bogner  
 Date Commission Expires: 10/11/04



**KCC Office Use ONLY**

No Letter of Confidentiality Attached  
 If Denied, Yes  Date: \_\_\_\_\_  
 Wireline Log Received  
 Geologist Report Received  
 UIC Distribution

ORIGINAL

Operator Name: Continental Energy Lease Name: Kisner Well #: 1-21  
 Sec. 21 Twp. 24 S. R.31 East West County: Finney

**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 <i>(Attach Additional Sheets)</i>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Log Formation (Top), Depth and Datum Name Top Datum Herington 2653 +249 Krider 2678 +224 Winfield 2713 +189
Samples Sent to Geological Survey	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Cores Taken	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Electric Log Run <i>(Submit Copy)</i>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
List All E. Logs Run:	Dual Receiver Cement Bond Log ✓ Gamma Ray/Neutron Log ✓	

CASING RECORD							
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
Production	7 7/8"	4 1/2"	10.5	2847	Class C Lite	125 550	

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
2	2653-66 / 2678-92 / 2713-18	1750 gal 20% HCL + 96 balls FRAC 20,300# 16/30 + N <sub>2</sub>	

TUBING RECORD		Size	Set At	Packer At	Liner Run	
		2 1/16"	2726		Yes <input checked="" type="checkbox"/> No	
Date of First, Resumed Production, SWD or Enhr.		Producing Method		(shut-in/awaiting hook up)		
Pending pipeline		Flowing		Pumping		
Estimated Production Per 24 Hours		Oil Bbls.	Gas Mcf	Water Bbls.	Gas-Oil Ratio	Gravity
		NONE	22	7	N/A	N/A

Disposition of Gas:  Vented  Will be Sold  Used on Lease  
 (If vented, Submit ACO-18.)

METHOD OF COMPLETION:  Open Hole  Perf.  Dually Comp.  Commingled

Production Interval: 2653'-2666' 2713'-2718'  
2678'-2692'

15.055-10089-0001

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KCC WICHITA

KISNER 1-21  
SW SW SW 21-24S-31W FINNEY COUNTY, KANSAS

NO GEOLOGIST ON-SITE  
GEOLOGIST REPORT UNAVAILABLE

ADDITIONAL CEMENTING INFO:

CENTRALIZER @ 1732', BASKET @ 1700'  
CENTRALIZER @ 1368', BASKET @ 1400'  
ADD'L. CENTRALIZERS @ 2816', 2752', 2688'.

# ALLIED CEMENTING CO., INC.

Federal Tax I.D.# 48-0727860

15-055-10089-0001

10761

ORIGINAL

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

FEB 11 2003

SERVICE POINT

KCC WICHITA

Oakley

DATE	12-22-02	SEC	21	TWP	24	RANGE	31W	CALLED OUT		ON LOCATION	7:15 PM	JOB START	12:40 AM	JOB FINISH	2:00 AM
LEASE	K. Sber	WELL #	1-21	LOCATION	Garden City 5E 1/2 S			COUNTY	Finney	STATE	KS				
OLD OR NEW	(Circle one)														

CONTRACTOR Cheyenne Drilg Rig 8  
 TYPE OF JOB Production String  
 HOLE SIZE 7 7/8 T.D. 2855'  
 CASING SIZE 4 1/2 DEPTH 2852.33'  
 TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 DRILL PIPE \_\_\_\_\_ DEPTH \_\_\_\_\_  
 TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_  
 PRES. MAX 11009 MINIMUM \_\_\_\_\_  
 MEAS. LINE \_\_\_\_\_ SHOE JOINT 32.59'  
 CEMENT LEFT IN CSG. 32.59'  
 PERFS \_\_\_\_\_  
 DISPLACEMENT 448 Bbls

OWNER Same  
 CEMENT  
 AMOUNT ORDERED 125 sks C/C  
~~200 sks Lite 550 Flo Seal~~  
550  
 C/C  
 COMMON 125 sks @ 9.65 1206.25  
~~147.50~~  
 POZMIX @ \_\_\_\_\_  
 GEL @ \_\_\_\_\_  
 CHLORIDE @ \_\_\_\_\_  
 Lite weight 550-sks @ 6.95 3820.50  
 Flo Seal @ 1.40  
 HANDLING 6750 sks @ 1.10 7425.00  
 MILEAGE 49/sk/mile 1755.00  
 TOTAL \_\_\_\_\_

**EQUIPMENT**

PUMP TRUCK # 191 CEMENTER Dean  
 HELPER Andrew  
 BULK TRUCK # 347 DRIVER Jarrod  
 BULK TRUCK # 361 DRIVER Fuzzy

**REMARKS:**

**SERVICE**

Cement did circulate, circulated  
50 Bbls to PIT.  
Play Landed  
Float Held.

DEPTH OF JOB \_\_\_\_\_  
 PUMP TRUCK CHARGE 1130.00  
 EXTRA FOOTAGE @ \_\_\_\_\_  
 MILEAGE 65 miles @ 3.00 195.00  
 PLUG 4 1/2 Rubber @ 48.00  
 TOTAL 1373.00

Thank You

CHARGE TO Continental Energy  
 STREET PO Box 918  
 CITY Garden City STATE KS ZIP 67846

**FLOAT EQUIPMENT**

Guide Shoe @ 125.00  
RFU Insert @ 20.00  
5 Centralizers @ 45.00 225.00  
2 Baskets @ 116.00 232.00  
 TOTAL 772.00

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 \_\_\_\_\_  
 TOTAL CHARGE \_\_\_\_\_  
 DISCOUNT \_\_\_\_\_ IF PAID IN 30 DAYS

SIGNATURE Eugene S. Sotog

PRINTED NAME



## 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 willful 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.