



Confidentiality Requested:

Yes No

KANSAS CORPORATION COMMISSION 1277985
OIL & GAS CONSERVATION DIVISION

Form ACO-1
August 2013

Form must be Typed
Form must be Signed
All blanks must be Filled

WELL COMPLETION FORM
WELL HISTORY - DESCRIPTION OF WELL & LEASE

OPERATOR: License # _____

Name: _____

Address 1: _____

Address 2: _____

City: _____ State: _____ Zip: _____ + _____

Contact Person: _____

Phone: (_____) _____

CONTRACTOR: License # _____

Name: _____

Wellsite Geologist: _____

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
- Plug Back Conv. to GSW Conv. to Producer
- Commingled Permit #: _____
- Dual Completion Permit #: _____
- SWD Permit #: _____
- ENHR Permit #: _____
- GSW Permit #: _____

Spud Date or Recompletion Date	Date Reached TD	Completion Date or Recompletion Date
-----------------------------------	-----------------	---

API No. 15 - _____

Spot Description: _____

_____ - _____ - _____ Sec. _____ Twp. _____ S. R. _____ East West

_____ Feet from North / South Line of Section

_____ Feet from East / West Line of Section

Footages Calculated from Nearest Outside Section Corner:

- NE NW SE SW

GPS Location: Lat: _____, Long: _____
(e.g. xx.xxxxx) (e.g. -xxx.xxxxx)

Datum: NAD27 NAD83 WGS84

County: _____

Lease Name: _____ Well #: _____

Field Name: _____

Producing Formation: _____

Elevation: Ground: _____ Kelly Bushing: _____

Total Vertical Depth: _____ Plug Back Total Depth: _____

Amount of Surface Pipe Set and Cemented at: _____ 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: _____ ppm Fluid volume: _____ bbls

Dewatering method used: _____

Location of fluid disposal if hauled offsite:

Operator Name: _____

Lease Name: _____ License #: _____

Quarter _____ Sec. _____ Twp. _____ S. R. _____ East West

County: _____ Permit #: _____

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.

Submitted Electronically

KCC Office Use ONLY

- Confidentiality Requested
Date: _____
- Confidential Release Date: _____
- Wireline Log Received
- Geologist Report Received
- UIC Distribution
- ALT I II III Approved by: _____ Date: _____

1277985

Operator Name: _____ Lease Name: _____ Well #: _____

Sec. _____ Twp. _____ S. R. _____ East West County: _____

INSTRUCTIONS: Show important tops 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.

Final Radioactivity Log, Final Logs run to obtain Geophysical Data and Final Electric Logs must be emailed to kcc-well-logs@kcc.ks.gov. Digital electronic log files must be submitted in LAS version 2.0 or newer AND an image file (TIFF or PDF).

Drill Stem Tests Taken <i>(Attach Additional Sheets)</i>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Log	Formation (Top), Depth and Datum	<input type="checkbox"/> Sample
Samples Sent to Geological Survey	<input type="checkbox"/> Yes <input type="checkbox"/> No	Name	Top	Datum
Cores Taken	<input type="checkbox"/> Yes <input type="checkbox"/> No			
Electric Log Run	<input type="checkbox"/> Yes <input type="checkbox"/> No			
List All E. Logs Run:				

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

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				

Did you perform a hydraulic fracturing treatment on this well? Yes No *(If No, skip questions 2 and 3)*

Does the volume of the total base fluid of the hydraulic fracturing treatment exceed 350,000 gallons? Yes No *(If No, skip question 3)*

Was the hydraulic fracturing treatment information submitted to the chemical disclosure registry? Yes No *(If No, fill out Page Three of the ACO-1)*

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

TUBING RECORD: Size: _____ Set At: _____ Packer At: _____ Liner Run: Yes No

Date of First, Resumed Production, SWD or ENHR: _____ Producing Method:
 Flowing Pumping Gas Lift 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)</i> <i>(Submit ACO-4)</i> <input type="checkbox"/> Other <i>(Specify)</i> _____	PRODUCTION INTERVAL: _____ _____
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INVOICE

P.O. Box 205803
Dallas, TX 75320-5803

Invoice Number: 150451
Invoice Date: Aug 5, 2015
Page: 1

Voice: (832) 482-3742
Fax: (832) 482-3738

Federal Tax I.D.#: 20-8651475

Bill To:
NAE Inc 317 Sidney Baker S Kerrville, TX 78028

Customer ID	Field Ticket #	Payment Terms	
NAE	65589	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS1-01	Great Bend	Aug 5, 2015	9/4/15

Quantity	Item	Description	Unit Price	Amount
1.00	WELL NAME	EC #2-35		
175.00	CEMENT MATERIALS	Class A Common	17.90	3,132.50
329.00	CEMENT MATERIALS	Gel	0.50	164.50
494.00	CEMENT MATERIALS	Chloride	1.10	543.40
189.23	CEMENT SERVICE	Cubic Feet Charge	2.48	469.29
302.40	CEMENT SERVICE	Ton Mileage Charge	2.75	831.60
1.00	CEMENT SERVICE	Surface	1,512.25	1,512.25
35.00	CEMENT SERVICE	Pump Truck Mileage	7.70	269.50
35.00	CEMENT SERVICE	Light Vehicle Mileage	4.40	154.00
1.00	JOB DISCOUNT	Job Discount if paid within terms -- Material	1,843.41	-1,843.41
1.00	JOB DISCOUNT	Job Discount if paid within terms -- Service	1,553.57	-1,553.57
1.00	CEMENT SUPERVISOR	Wayne Davis		
1.00	EQUIPMENT OPERATOR	Brian Lang		
1.00	OPERATOR ASSISTANT	Marlyn Spangenberg		

<p>ALL PRICES ARE NET, PAYABLE 30 DAYS FOLLOWING DATE OF INVOICE. ONLY IF PAID ON OR BEFORE</p> <p>Sep 4, 2015</p> <p>1 1/2% CHARGED THEREAFTER.</p>	Subtotal	3,680.06
	Sales Tax	149.77
	Total Invoice Amount	3,829.83
	Payment/Credit Applied	
	TOTAL	3,829.83



P.O. Box 205803
 Dallas, TX 75320-5803

Voice: (832) 482-3742
 Fax: (832) 482-3738

INVOICE

Invoice Number: 150513
 Invoice Date: Aug 11, 2015
 Page: 1

Federal Tax I.D.#: 20-8651475

Bill To:
NAE Inc 317 Sidney Baker S Kerrville, TX 78028

Customer ID	Field Ticket #	Payment Terms	
NAE	67789	Net 30 Days	
Job Location	Camp Location	Service Date	Due Date
KS1-03	Great Bend	Aug 11, 2015	9/10/15

Quantity	Item	Description	Unit Price	Amount
1.00	WELL NAME	E & C #2-35		
290.00	CEMENT MATERIALS	60/40/4% Gel Blend	18.92	5,486.80
73.00	CEMENT MATERIALS	Flo Seal	2.97	216.81
311.60	CEMENT SERVICE	Cubic Feet Charge	2.48	772.77
456.00	CEMENT SERVICE	Ton Mileage Charge	2.75	1,254.00
1.00	CEMENT SERVICE	Plug to Abandon	2,483.59	2,483.59
35.00	CEMENT SERVICE	Pump Truck Mileage	7.70	269.50
35.00	CEMENT SERVICE	Light Vehicle Mileage	4.40	154.00
1.00	JOB DISCOUNT	Job Discount if paid within terms -- Material	2,623.66	-2,623.66
1.00	JOB DISCOUNT	Job Discount if paid within terms -- Cement Service	2,269.58	-2,269.58
1.00	CEMENT SUPERVISOR	Alan Ryan		
1.00	EQUIPMENT OPERATOR	Brian Lang		
1.00	OPERATOR ASSISTANT	Marlyn Spangenberg		

ALL PRICES ARE NET, PAYABLE 30 DAYS FOLLOWING DATE OF INVOICE. ONLY IF PAID ON OR BEFORE Sep 10, 2015 1 1/2% CHARGED THEREAFTER.	Subtotal	5,744.23
	Sales Tax	430.82
	Total Invoice Amount	6,175.05
	Payment/Credit Applied	
	TOTAL	6,175.05

Date 8-5-15 District GO Ticket No. 65587
 Company N-T Rig H2-R-24
 Lease _____ Well No. _____
 County hoke State KS
 Location _____ Field _____

CEMENT DATA:
 Spacer Type: fresh water
 Amt. 5 Skys Yield _____ ft³/sk Density 8.34 PPG

CASING DATA: Conductor PTA Squeeze Misc
 Surface Intermediate Production Liner
 Size 8 7/8 Type new Weight 94 Collar 8AD

LEAD: Pump Time _____ hrs. Type class A
13% + 2% Excess _____
 Amt. 175 Skys Yield 1.34 ft³/sk Density 15.2 PPG

TAIL: Pump Time _____ hrs. Type _____
 Excess _____
 Amt. _____ Skys Yield _____ ft³/sk Density _____ PPG
 WATER: Lead _____ gals/sk Tail _____ gals/sk Total _____ Bbls.

Casing Depths: Top _____ Bottom _____

Pump Trucks Used 3460 / B...
 Bulk Equip. 771 / 112

Drill Pipe: Size _____ Weight _____ Collars _____
 Open Hole: Size 12 1/4 T.D. 226 ft. P.B. to _____ ft.

Float Equip: Manufacturer _____

CAPACITY FACTORS:

Casing: Bbls/Lin. ft. 0.637 Lin. ft./Bbl. 15.70
 Open Holes: Bbls/Lin. ft. _____ Lin. ft./Bbl. _____
 Drill Pipe: Bbls/Lin. ft. _____ Lin. ft./Bbl. _____
 Annulus: Bbls/Lin. ft. _____ Lin. ft./Bbl. _____
 Perforations: From _____ ft. to _____ ft. Amt. _____

Shoe: Type _____ Depth _____
 Float: Type _____ Depth _____
 Centralizers: Quantity _____ Plugs Top _____ Btm. _____
 Stage Collars _____
 Special Equip. _____
 Disp. Fluid Type fresh Amt. 13.25 Bbls. Weight 8.34 PPG
 Mud Type _____ Weight _____ PPG

COMPANY REPRESENTATIVE _____

CEMENTER Wesley Quinn

TIME	PRESSURES PSI		FLUID PUMPED DATA			REMARKS
	DRILL PIPE CASING	ANNULUS	TOTAL FLUID	Pumped Per Time Period	RATE Bbls Min.	
						am Job site had safety meeting
						spot truck run casing
						Break circulation with rig
<u>9:00 AM</u>			<u>5</u>	<u>5</u>	<u>3</u>	Run 5 Bbls water ahead
			<u>46.76</u>	<u>41.76</u>	<u>3</u>	Mix 175 sk class A + 39% + 2% oil
<u>9:00 AM</u>			<u>60</u>	<u>13.25</u>	<u>3</u>	Start Displace 13.25 Bbls fresh water
						Cement did circulate
						shut in

ROBERT T. HOPKINS, L.G., C.P.G.
709 Harold Ave.
Salina, Kansas 67401
cell (785) 819-2460

August 13, 2015

Frank Taggart, President
NAE, Inc.
317 Sidney Baker St.
Kerrville, Texas 78028

NAE, Inc. – E&C #2-35 693' FNL, 1663' FWL, Section 2, T17S, R29W, Lane County, Ks.

Frank:

Attached to this summary letter is my lithologic log for the above-captioned well. Based on the poor oil recovery from the Johnson Zone DST, operator has elected to plug and abandon this test. This well ran approximately flat to Chief Drilling #4 Eaton in shallow zones and somewhat came up structure in the deeper zones. The lack of development of the Johnson Zone contributed to the lack of oil recovery in E&C 2-35.

Note that the log tops measured in this well ran consistently high to the drilling time tops. Although the pipe strap was accurate, the rig crew had trouble with the Geolograph cable.

Significant sample shows and overall quality were as follows (log corrected depths). Slight fleeting odor (only) in samples is not considered significant:

LKC H	4153-4156'	very poor
LKC I	4185-4188'	poor
Altamont Ls.	4364-4370'	fair (mis-run DST #1)
Ft. Scott Ls.	4490-4492'	very poor
Johnson zone	4546-4549'	fair (DST #2)

Following is a log top comparison of your well to the nearby Eaton #4 (NW¼) and Eaton #1 (NE¼) open-hole logs. These wells are located east of the subject well:

LOG TOP COMPARISON:

<u>Formation</u>	NAE E&C2-35 <u>O-H log tops</u>	comp to Eaton 4 <u>O-H log tops</u>	comp to Eaton 1 <u>O-H log tops</u>
Anhydrite	2206(+601)	+1 (+599)	-7 (+608)
Heebner Sh.	3941(-1134)	-0- (-1134)	-14 (-1120)
LKC "A"	3976(-1169)	-1 (-1168)	-3 (-1166)
"H" Sh. marker	4146(-1339)	-3 (-1336)	-10 (-1329)
Base KC	4316(-1509)	-1 (-1508)	-10 (-1499)
Marmaton Fm.	4339(-1532)	-1 (-1531)	-7 (-1525)
Ft. Scott Ls.	4481(-1674)	-0- (-1674)	-6 (-1668)
Cherokee Sh.	4504(-1697)	+4 (-1701)	-6 (-1691)
Johnson zone	4546(-1739)	+3 (-1742)	-6 (-1733)
Mississippian	4580(-1773)	-7 (-1766)	-8 (-1765)
RTD 4611'			

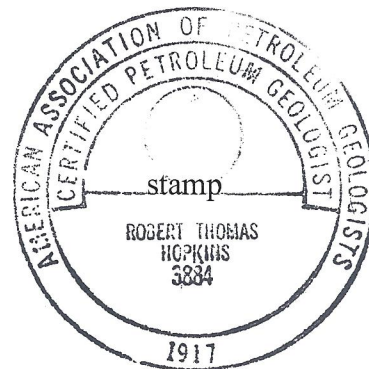
If you have any questions, please call me at 785-819-2460. Thank you for this opportunity to serve you!

Sincerely,



Robert T. Hopkins, L.G., C. P. G.

attachments



LITHOLOGIC LOG

ROBERT HOPKIN consulting geologist

Operator NAE, INC.

Location 693' FNL, 1663' FNL, 2-175-29W

Lease / Well E & C 2-35

County Lane State KS

scale 1" = 20'

GL KB 2807' (measure from *)

depth this sheet - from 4020 to 4200'

page 2 of 5

DRILLING TIME (min/ft)								DEPTH	tops shows	lith graph	DESCRIPTION (lithology, DSTs, mud properties)
1	2	3	4	5	6	7	8				
								20			lst, o/a, lite, n.s. gry sh.
											wh fine-med sh lst, lite, n.s. sh cherty
											MUD vis 56; wt 9.0
								50			dk gry sh.
											bf fine med lite lst, n.s.
											dk gry sh. fine lite lst, n.s.
											blk-brown lst, oolitic, n.s.
											fine fossiliferous lst, n.s.
											oolitic lst, good, n.s.
								4100			MUD vis 56; wt 9.1
											wh fine-med sh lite lst, n.s.
											tan-brown fine med sh, sl. fossiliferous, lite, n.s.
											H sh 4150 (-1343)
											blk sh.
								50	dash		bf fine med fine lst, n.s.
											grn-gry sh.
											bf-brown, fine-med sh lst, fine, n.s.
											o/a sh, fine, n.s.
								550			o/a sh, fine, n.s.
											blk sh.
											gry sh.
											wh fine med sh, sl. o/a, med sh, o/a, sh, no fossils in
								550			good limestone
								4200			

LITHOLOGIC LOG

ROBERT HOPKIN consulting geologist

Operator NAE, INC.
 Lease / Well ECC 2-35
 GL KB 2307' (measure from *)

Location 693' FNL, 1663' FWL, 2-173-29W
 County LANE State KS scale 1" = 20'
 depth this sheet - from 4200 to 4380' page 3 of 5

DRILLING TIME (min/ft)								DEPTH	tops shows	lith graph	DESCRIPTION (lithology, DSTs, mud properties)
1	2	3	4	5	6	7	8				
								4200			gry shysst., n.s. tan lite lst, n.s., sh. fossiliferous
											gry sh. lite lst, n.s. dk gry sh. MUD VIS 56 WT. 9.7
											bf oolitic lst, good φ, n.s.
											bf fossiliferous lite lst, n.s.
								50			blk sh, carb. STARK SW 4243' (-1436) lite lst, n.s. gry sh. bf fossiliferous cherty lst, good φ, n.s.
											gry-brn lite lst, n.s. Horseshoelover 4274
											blk sh.
											gray fossiliferous lite lst, n.s. MUD VIS 57, WT. 9.3 dk gry sh. sh. silty gray fossiliferous lst, lite, n.s.
								4300			bf-brn med chert foss. lst, lite, n.s.
											BKC 4320(-1513)
											dk gry sh. lite lst, n.s. gry lite lst, loc free oil, no silts, v.s. silts
											gry-brn foss lst, lite, n.s. MUD VIS 58, WT. 9.3
											Marmaton 4342(-1535)
								50			gry-brn lite lst, n.s. lite lst, n.s.
											H-dk gry sh. Altamont ls. 4376
											bf med chert lst, sh. φ, good free oil; fair silts, no silts fair vuggy φ fair fluorescence
								80			lite lst, n.s.

DST #1
4363-99'



LITHOLOGIC LOC

ROBERT HOPKIN consulting geologist

Operator NAE, INC.
 Lease / Well EAC 2-35
 GL KB 2807' (measure from *)

Location 693' FNL, 1663 FWL 2-17-29W
 County LANE State KS scale 1" = 20'
 depth this sheet - from 4380' to 4560' page 4 of 5

DRILLING TIME (min/ft)								DEPTH	tops shows	lith graph	DESCRIPTION (lithology, DSTs, mud properties)
1	2	3	4	5	6	7	8				
								30			lite lst., n.s. grey sh. Lower Altamont 4392'
								4400			wh fuxls lite lst., n.s. DST #1: 4363-99 (36) Altamont Ls. (u + 1) open 7" diameter unseal
											bf-lw fair-med sh. lst., sl. φ to lite, n.s. MIS-RUN (v. sl. oil odor)
											afa, sl. fossiliferous mus vis 72: wt 9.2
								Pv			blk sh., pyritic Pawnee Ls. 4432' wh chalky lst., sl. φ, sh oil stars, lrc odor, no fuxls
								50			afa, lite, w/ some grey foss. chert, n.s. dk grey fossiliferous lst., lite, n.s. dk grey-blk sh.; minor pyrite
											bf-grey fuxls lite lst., n.s. wh chalky lst., sl. φ, n.s.
								FSc			blk carb sh.; pyritic Fort Scott Ls. 4486 (-1679)
								4500	V530		tan-grey fuxls foss. lst., lite, n.s. ← afa, lrc stars mus vis 57: wt 9.4+
											grey limy sh. Cherokee 4512 (-1705)
								Ch			dk grey limy sh. lt grey fuxls sandst lst., lite, n.s.
											w/ sh. layers (red-grey) sl. cherty lite lst., n.s.
											blk pyritic sh. Johnson Zone 4553(-174)
								50			grey sdy sh - grey sh. lst DST #2
								52			grey sh. 4510-60-Johnson-up
											wh sdy lst., fair-pimped 30"-60"-90"-90" φ good stars, odor, FP: 30-114.120-182.51P 689-E
								60			grey sh. free oil, 70% fluorescence REC: 3' CO, 135' OSMW,

Geological Not Working

DST #2 4510-60'

CFS

CFS

LITHOLOGIC LOG

ROBERT HOPKIN[^] consulting geologist

Operator: NAE INC.

Location: 693' FNL, 1663 FWL, 2-17-29W

Lease / Well: E 1/4 C 2-35

County: LANE State: KS

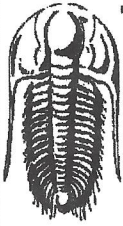
scale 1" = 20'

GL: KB 2807' (measure from *)

depth this sheet - from 4560 to 4611' RTD

page 5 of 5

DRILLING TIME (min/ft)								DEPTH	tops shows	lith graph	DESCRIPTION (lithology, DSTs, mud properties)
1	2	3	4	5	6	7	8				
								60			wh vfgn sst, lite, n.s. mud vis 54, wt 9.3 red sh.
								Miss			wh lite sst, n.s. gray sh.
											blk lst, w/ abundant gray-wh Mississippi, 4576 dash chert, fair φ, n.s. (-1769)
								4600			a/a, w/ less chert, wh lst, n.s.
								RTD 4611			
											mud vis 53, wt 9.3
											4611' RTD; Row Pioneer OH log suite. P-A



TRILOBITE TESTING, INC

DRILL STEM TEST REPORT

NAE Inc.
 317 Sidney Baker S
 Kerrville TX 78028
 ATTN: Frank Tagert

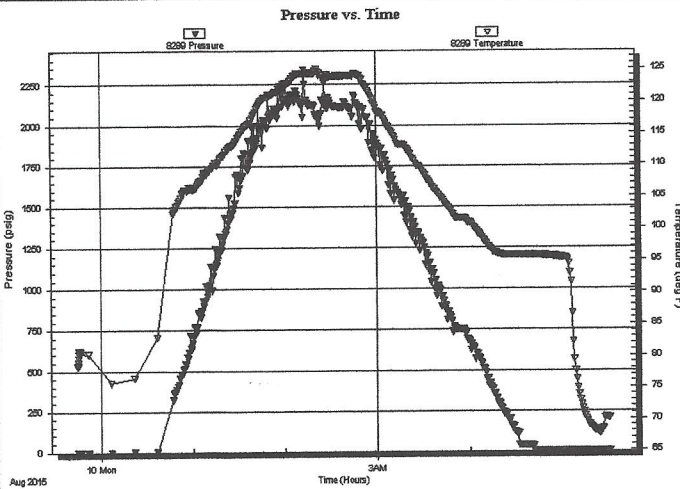
2 17s 29w Lane
 E & C 2-35
 Job Ticket: 62396 DST#: 1
 Test Start: 2015.08.09 @ 23:45:00

GENERAL INFORMATION:

Formation: **Altamont**
 Deviated: No Whipstock: ft (KB)
 Time Tool Opened: 02:14:00
 Time Test Ended: 05:31:00
 Interval: **4363.00 ft (KB) To 4399.00 ft (KB) (TVD)**
 Total Depth: 4399.00 ft (KB) (TVD)
 Hole Diameter: 7.88 inches Hole Condition: Fair
 Test Type: Conventional Bottom Hole (Initial)
 Tester: Jim Svaty
 Unit No: 76
 Reference Elevations: 2814.00 ft (KB)
 2801.00 ft (CF)
 KB to GR/CF: 13.00 ft

Serial #: **8289** **Outside**
 Press@RunDepth: psig @ 4367.00 ft (KB) Capacity: 8000.00 psig
 Start Date: 2015.08.09 End Date: 2015.08.10 Last Calib.: 2015.08.10
 Start Time: 23:45:00 End Time: 05:31:00 Time On Btrn:
 Time Off Btrn:

TEST COMMENT: 11-IF- Weak Surface Blow for 6min. Packers Failed.....Pulled



PRESSURE SUMMARY

Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation

Recovery

Length (ft)	Description	Volume (bbl)
434.00	Mud 100%	4.41

Gas Rates

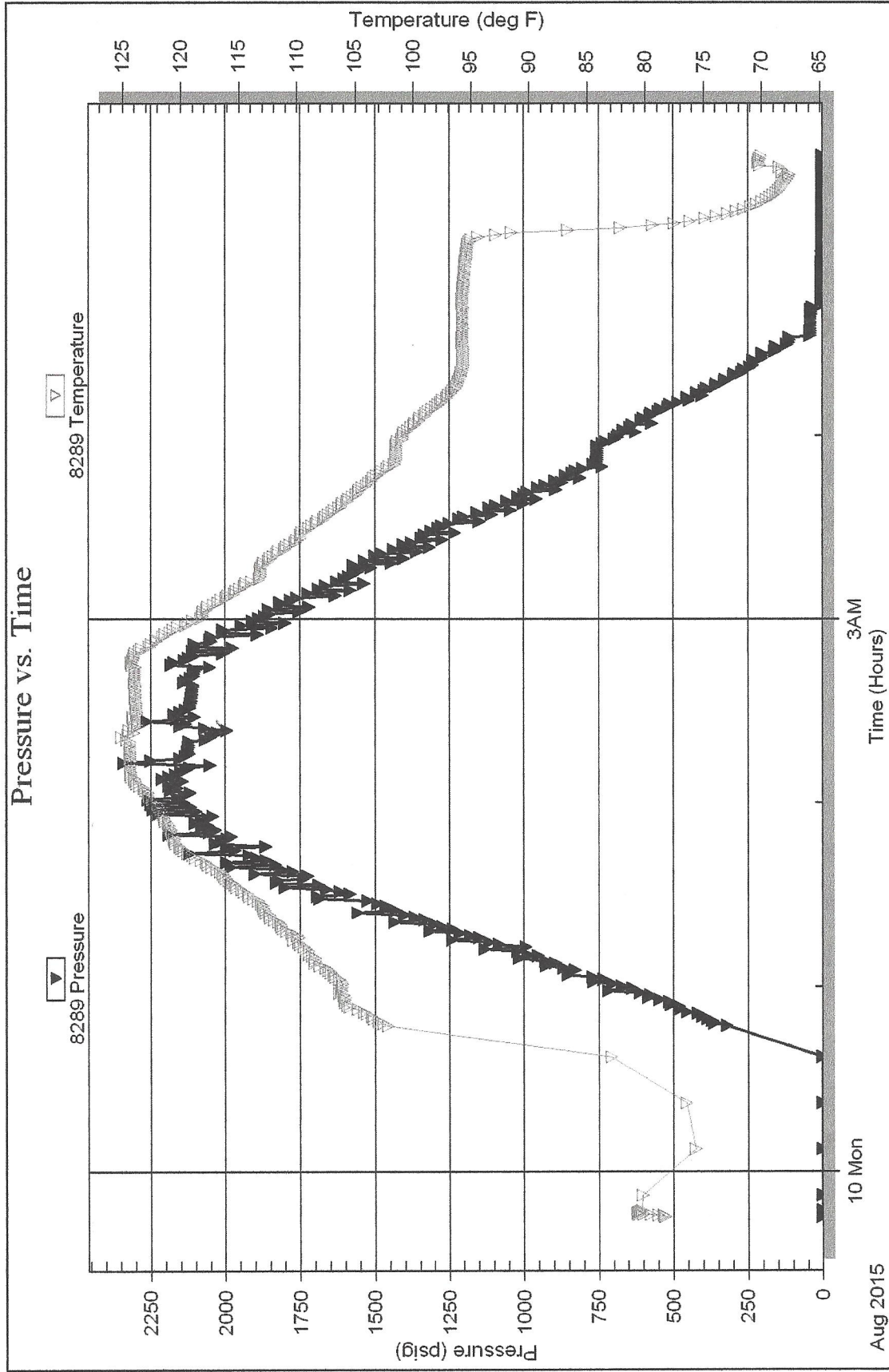
Chote (inches)	Pressure (psig)	Gas Rate (Mcf/d)

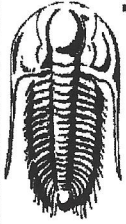
Serial #: 8289

Outside NAE Inc.

E & C 2-35

DST Test Number: 1





**TRILOBITE
TESTING, INC**

DRILL STEM TEST REPORT

NAE Inc.
317 Sidney Baker S
Kerrville TX 78028
ATTN: Frank Tagert

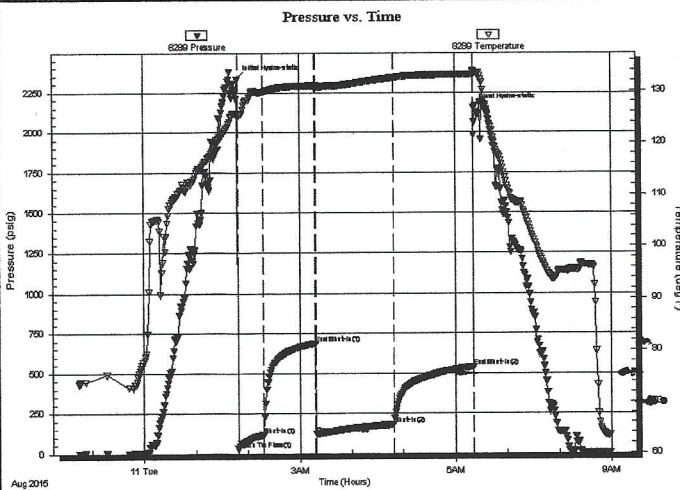
2 17s 29w Lane
E & C 2-35
Job Ticket: 62397 DST#: 2
Test Start: 2015.08.10 @ 22:45:00

GENERAL INFORMATION:

Formation: **Johnson**
 Deviated: No Whipstock: ft (KB)
 Time Tool Opened: 01:48:30
 Time Test Ended: 08:59:00
 Test Type: Conventional Bottom Hole (Reset)
 Tester: Jim Svaty
 Unit No: 76
 Interval: **4510.00 ft (KB) To 4560.00 ft (KB) (TVD)**
 Total Depth: 4560.00 ft (KB) (TVD)
 Hole Diameter: 7.88 inches Hole Condition: Fair
 Reference Elevations: 2814.00 ft (KB)
 2801.00 ft (CF)
 KB to GRVCF: 13.00 ft

Serial #: 8289 Outside
 Press@RunDepth: 182.49 psig @ 4514.00 ft (KB) Capacity: 8000.00 psig
 Start Date: 2015.08.10 End Date: 2015.08.11 Last Calib.: 2015.08.11
 Start Time: 22:45:00 End Time: 08:59:00 Time On Btrr: 2015.08.11 @ 01:48:15
 Time Off Btrr: 2015.08.11 @ 06:20:45

TEST COMMENT: 30-IF- Surface Blow Building to 8 1/2in.
 60-ISI- Surface Blow Died Back in 6min.
 90-FF- Surface Blow in 7min. Building to 8 1/2in.
 90-FSI- No Blow



PRESSURE SUMMARY

Time (Min.)	Pressure (psig)	Temp (deg F)	Annotation
0	2333.61	125.76	Initial Hydro-static
1	30.72	124.98	Open To Flow (1)
31	114.94	129.86	Shut-In(1)
90	689.33	131.07	End Shut-In(1)
91	120.74	130.78	Open To Flow (2)
181	182.49	132.58	Shut-In(2)
272	541.50	133.12	End Shut-In(2)
273	2154.72	133.59	Final Hydro-static

Recovery

Length (ft)	Description	Volume (bbl)
184.00	MCW 10%w 90%w	0.90
135.00	Oil Speck WCM 40%w 60%w	1.89
3.00	CO 100%	0.04

* Recovery from multiple tests

Gas Rates

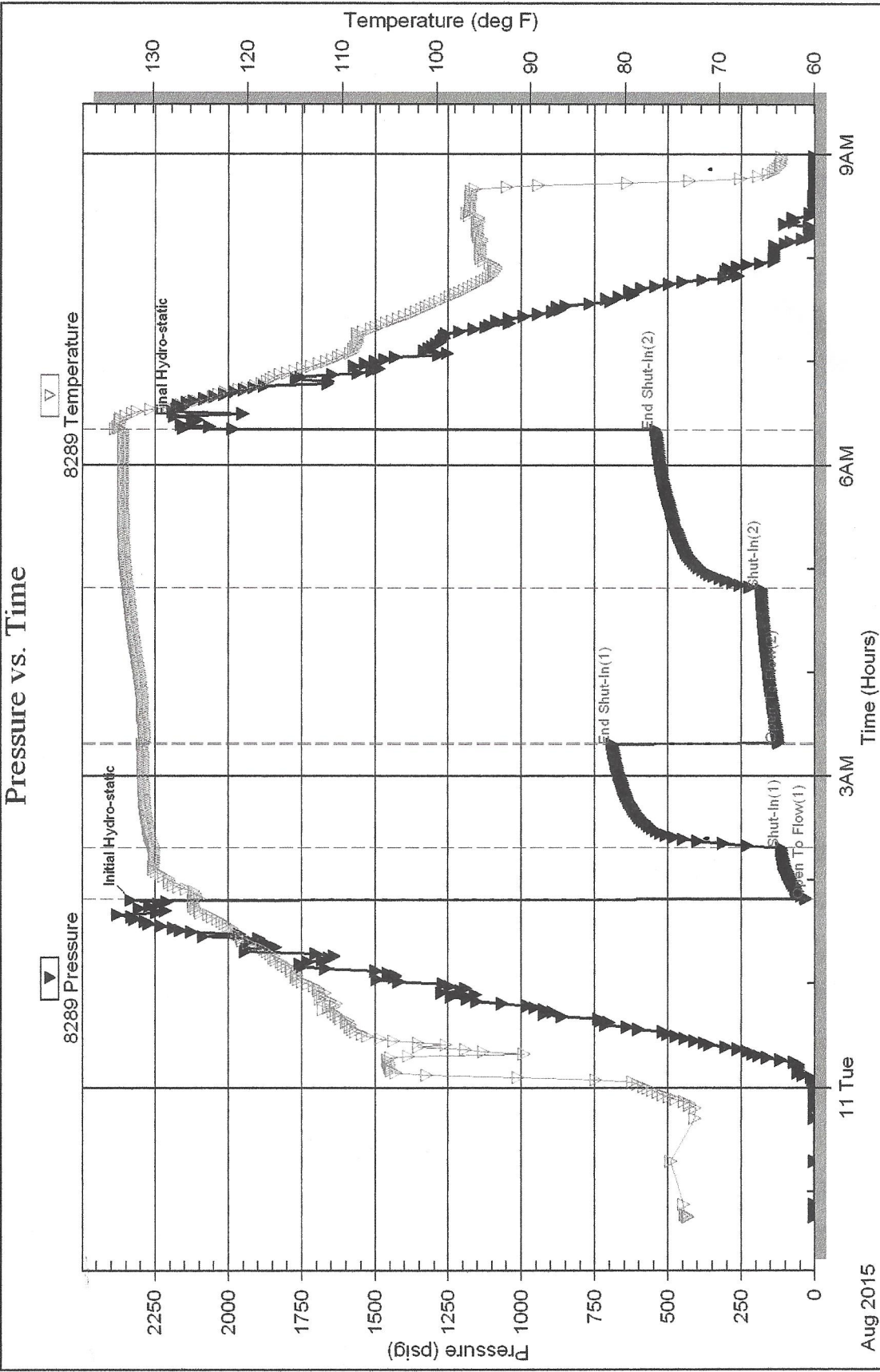
Choke (inches)	Pressure (psig)	Gas Rate (Mcf/d)

Serial #: 8289

Outside NAE Inc.

E & C 2-35

DST Test Number: 2





COMPENSATED DENSITY NEUTRON LOG

Company NAE, INC.

Well E&C #2-35

Field Terwilliger Northwest

County Lane State Kansas

Location: API #: 15 101 22570
 693' FNL & 1663' FWL

SEC 2 TWP 17S RGE 29W
 Permanent Datum Ground Level Elevation 2796'
 Log Measured From KB 11' AGL
 Drilling Measured From KB

Company NAE, INC.
 Well E&C #2-35
 Field Terwilliger Northwest
 County Lane
 State Kansas

Other Services
 DIL
 ML
 BCS
 Elevation
 K.B. 2807'
 D.F. 2806'
 G.L. 2796'

Date	8-11-15	
Run Number	One	
Depth Driller	4611'	
Depth Logger	4610'	
Bottom Logged Interval	4587	
Top Log Interval	3600'	
Casing Driller	8 5/8" @ 226'	
Casing Logger	226'	
Bit Size	7 7/8"	
Type Fluid in Hole	Chemical	
Density / Viscosity	9.3/54	
pH / Fluid Loss	9.0/8.0	
Source of Sample	Pit	
Rm @ Meas. Temp	1.8@78degf	
Rmf @ Meas. Temp	1.35@78degf	
Rmc @ Meas. Temp	2.16@78degf	
Source of Rmf / Rmc	Calculated	
Rm @ BHT	1.25@112degf	
Time Circulation Stopped	5:30 p.m.	
Time Logger on Bottom	7:45 p.m.	
Maximum Recorded Temperature	112degf	
Equipment Number	T127	
Location	Hays, KS	
Recorded By	Gus Pfanenstiel	

All interpretations are opinions based on inferences from electrical or other measurements and we cannot and do not guarantee the accuracy or correctness of any interpretation, and we shall not, except in the case of gross or willful negligence on our part, be liable or responsible for any loss, costs, damages, or expenses incurred or sustained by anyone resulting from any interpretation made by any of our officers, agents or employees. These interpretations are also subject to our general terms and conditions set out in our current Price Schedule.

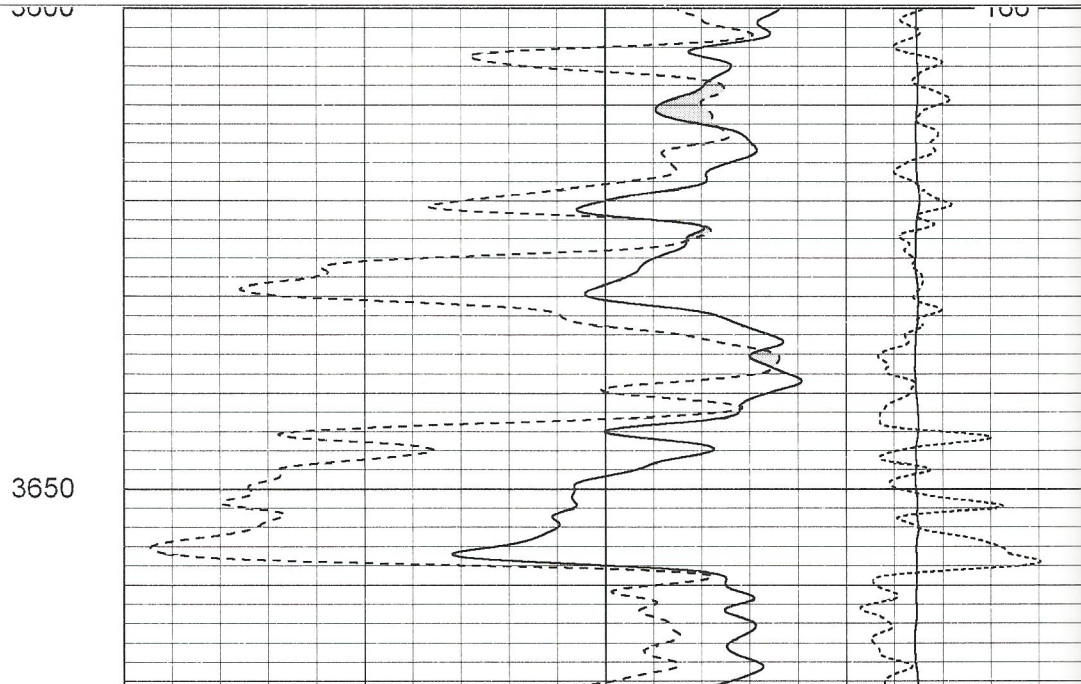
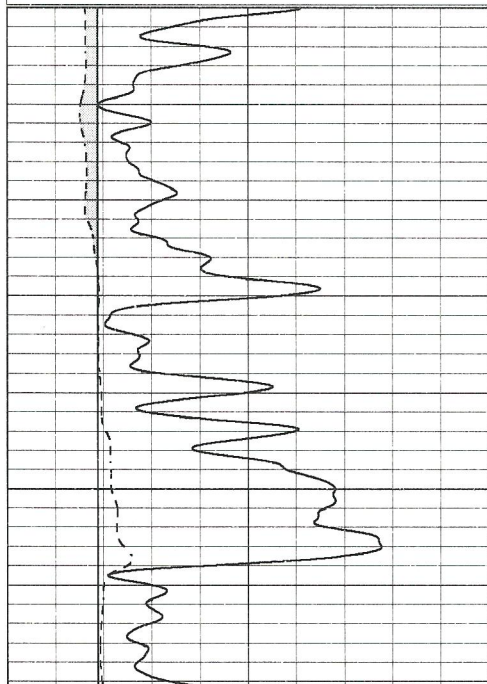
Comments

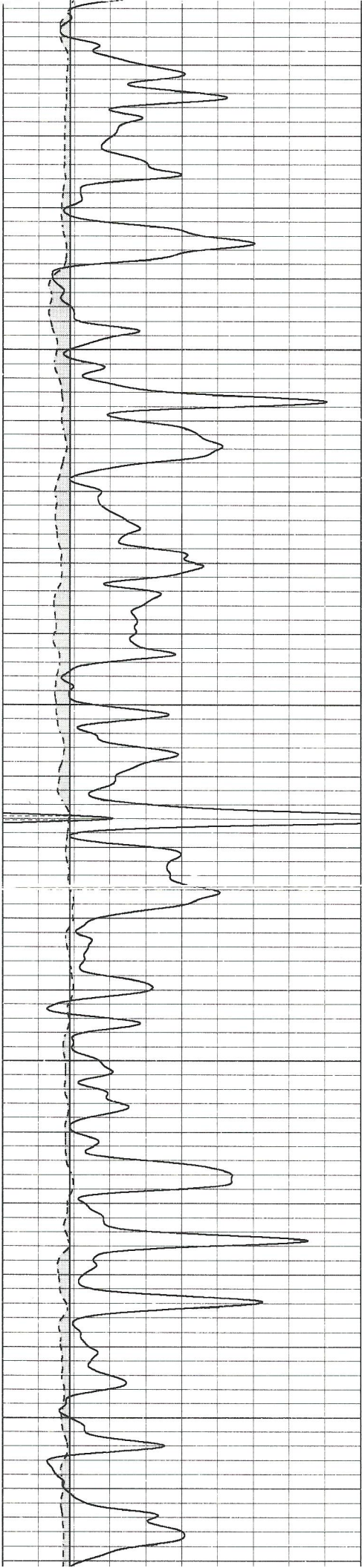


Main Pass

Database File naee#c#2-35oh.db
 Dataset Pathname pass2.1
 Presentation Format kcdnl
 Dataset Creation Tue Aug 11 20:22:51 2015
 Charted by Depth in Feet scaled 1:240

0	GR (GAPI)	150	30	NPOR (pu)	-10
6	BOREiD (in)	16	30	DPOR (pu)	-10
6	DCAL (in)	16	70	DPOR (pu)	30
			8000	LTEN (lb)	0
			-0.25	RHOC (g/cc)	0.25
					ABHV (ft3)



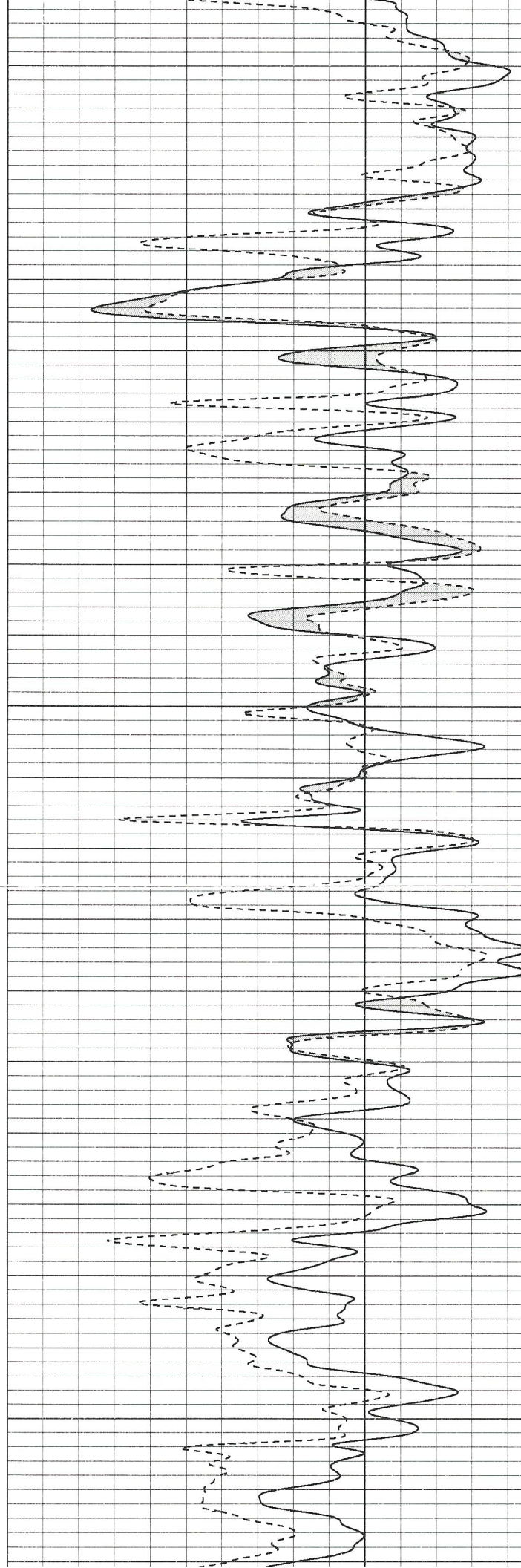


3750

3800

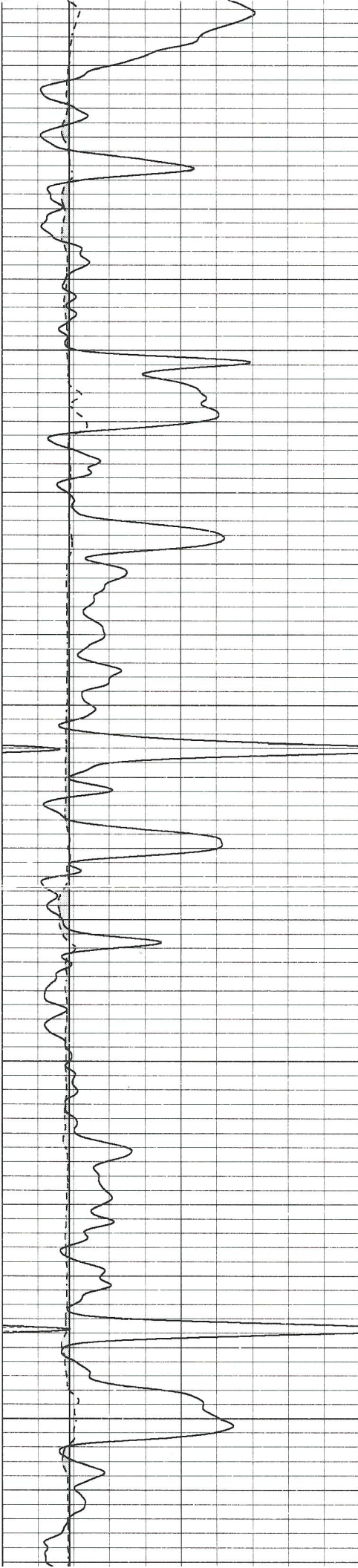
3850

3900



132

116

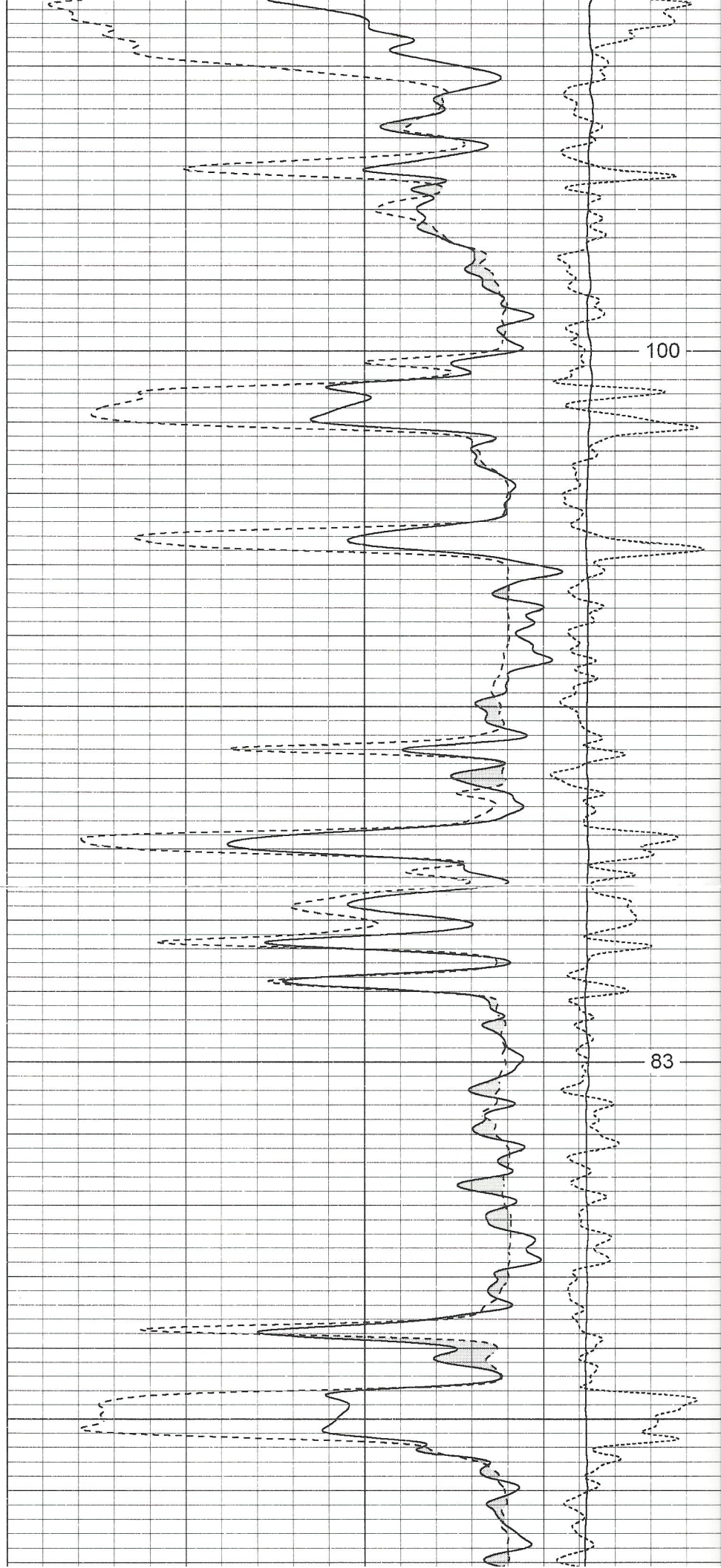


4000

4050

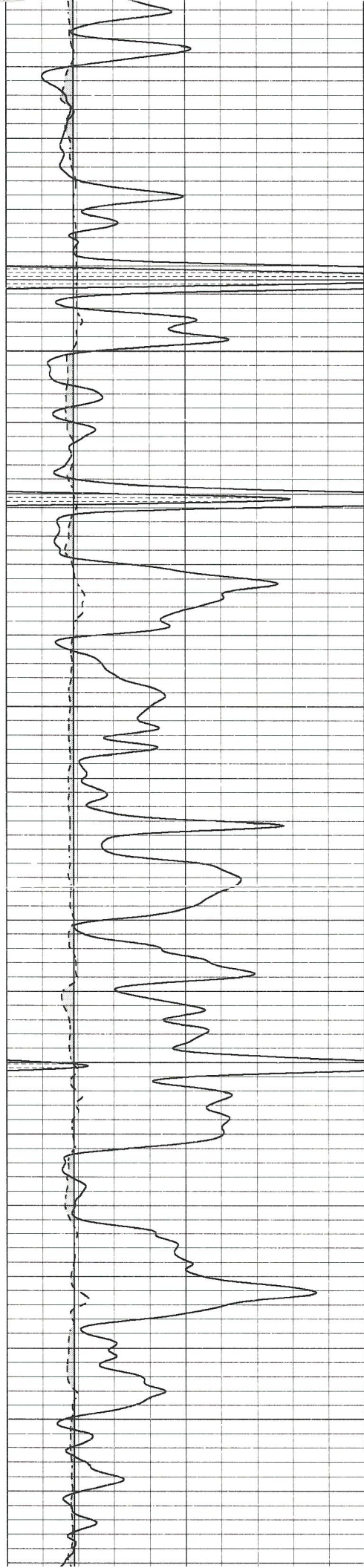
4100

4150



100

83

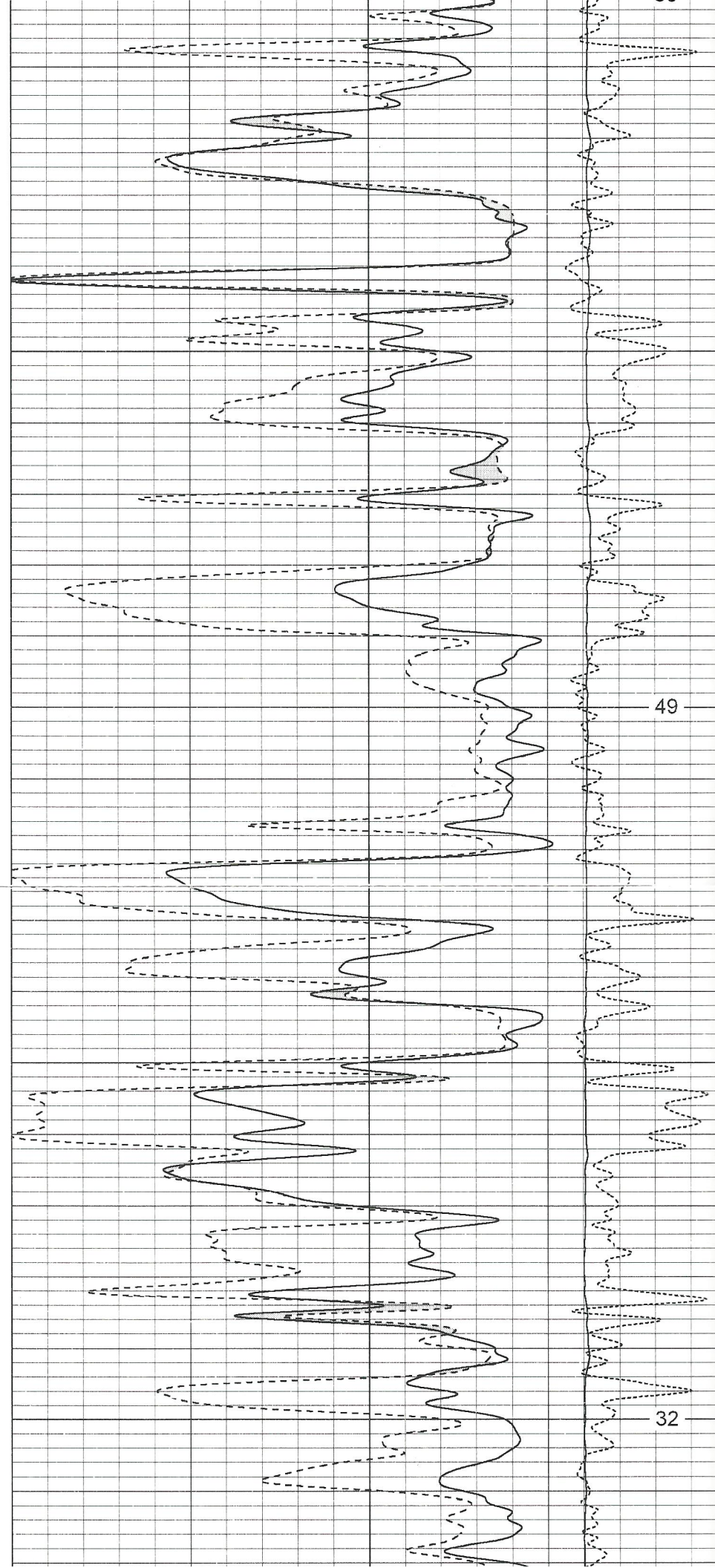


4250

4300

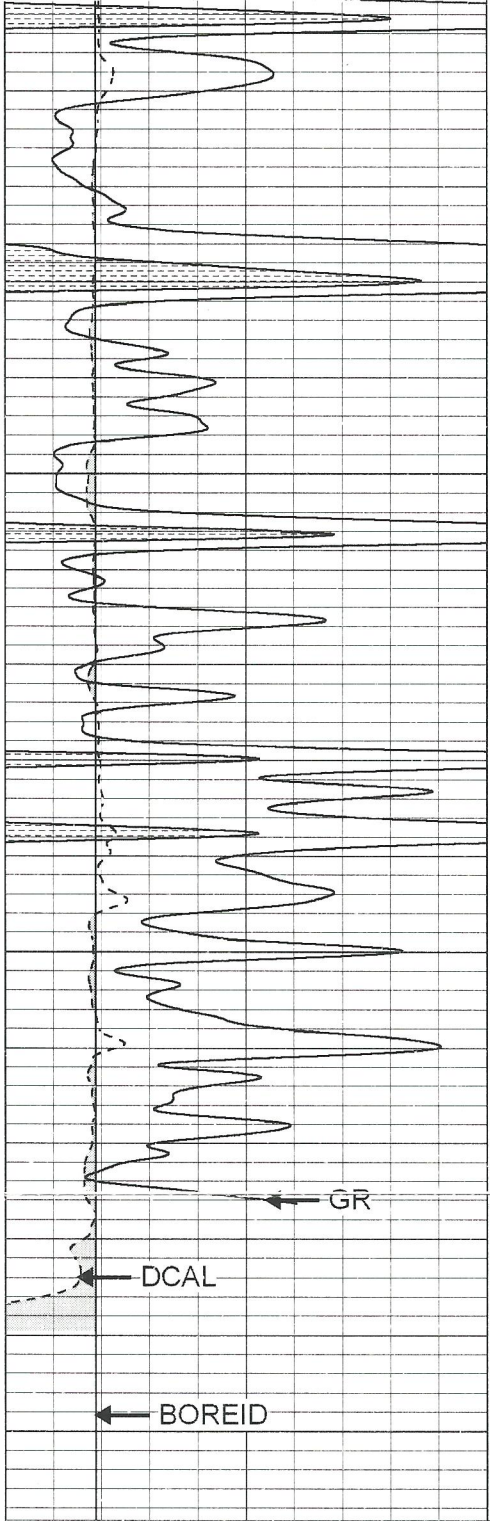
4350

4400



49

32

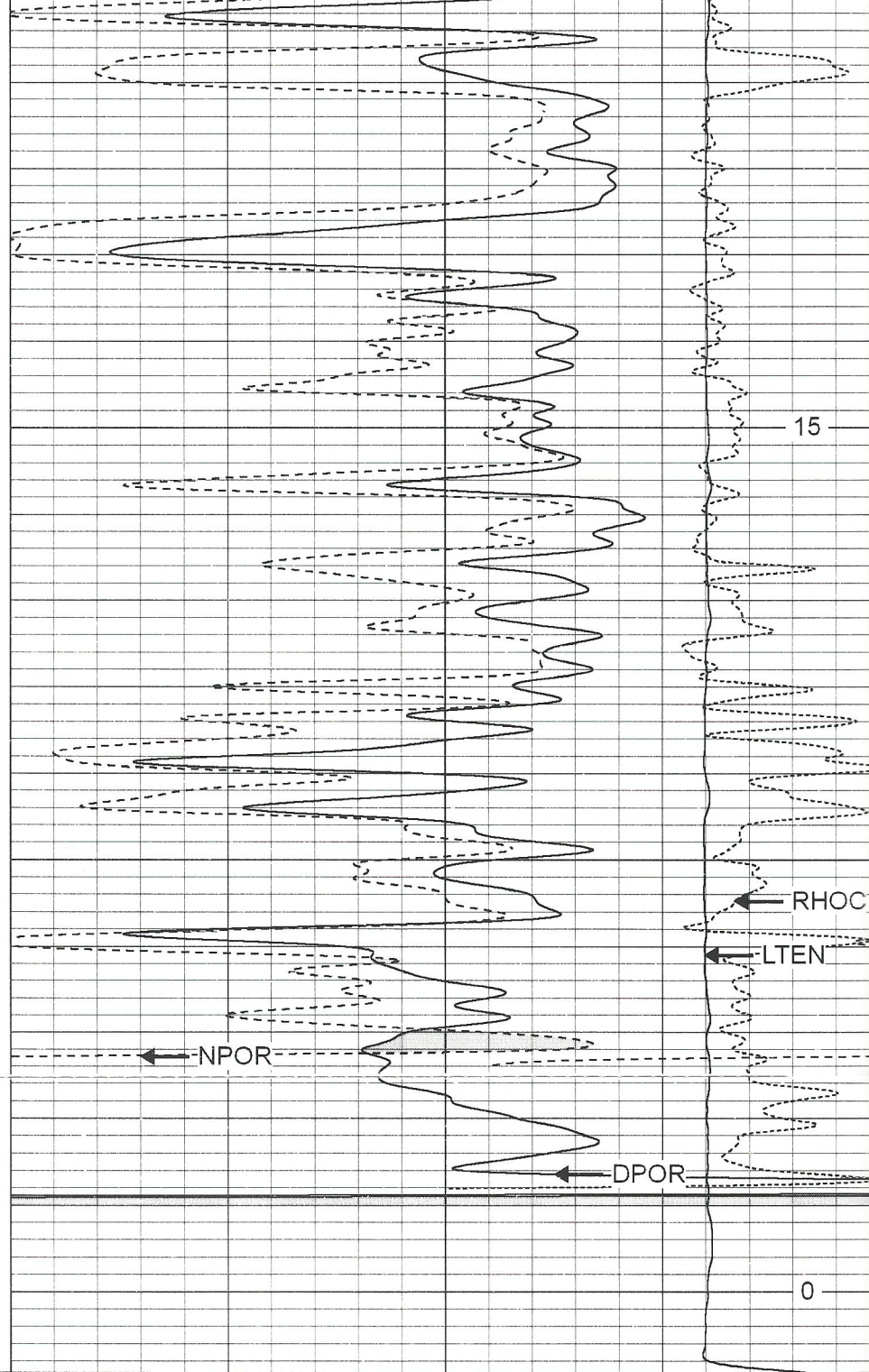


4500

4550

4600

0	GR (GAPI)	150
6	BOREID (in)	16
6	DCAL (in)	16



15

0

30	NPOR (pu)	-10
30	DPOR (pu)	-10
70	DPOR (pu)	30
8000	LTEN (lb)	0

-0.25	RHOC (g/cc)	0.25
-------	-------------	------

ABHV (ft3)



Repeat Pass

8000

LTEN (lb)

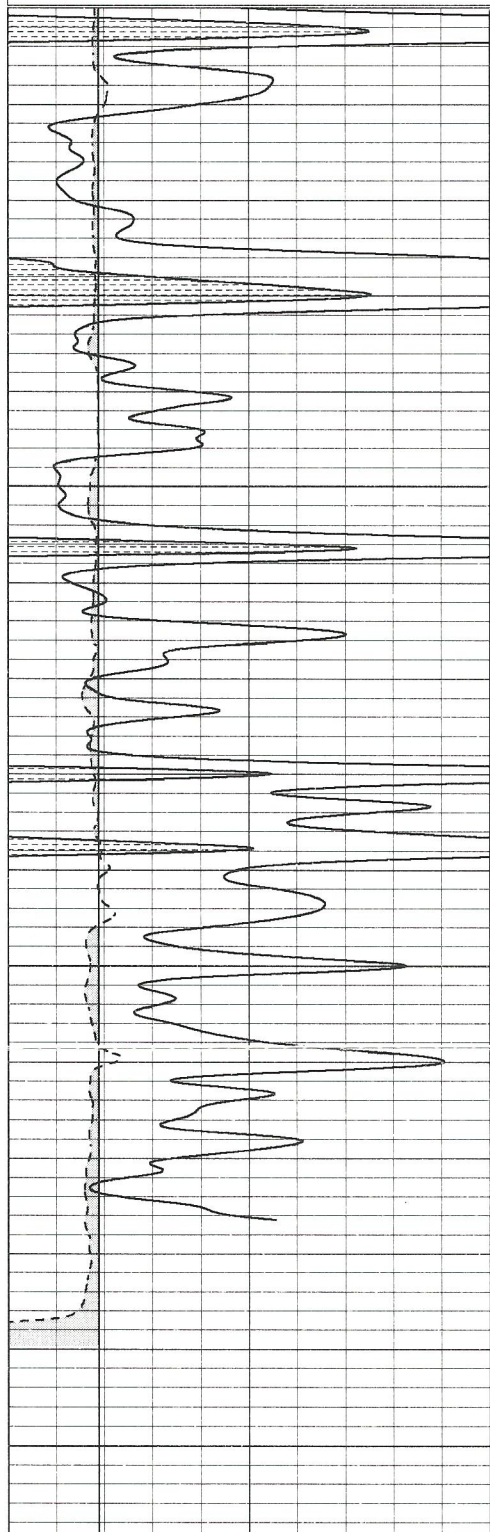
0

-0.25

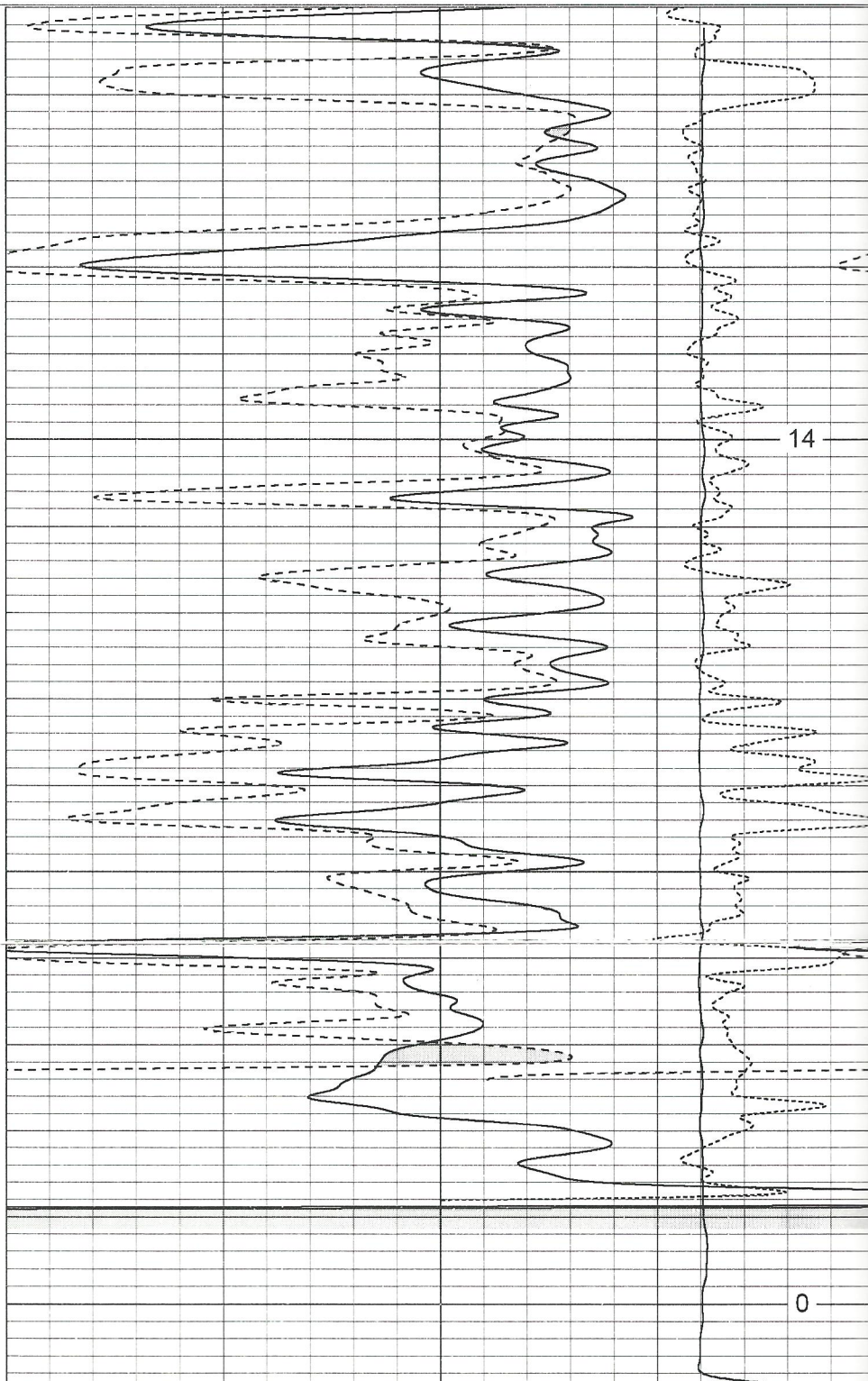
RHOC (g/cc)

0.25

ABHV (ft3)



4450
4500
4550
4600



14
0

0	GR (GAPI)	150
6	BOREID (in)	16
6	DCAL (in)	16

30	NPOR (pu)	-10
30	DPOR (pu)	-10
70	DPOR (pu)	30
8000	LTEN (lb)	0

-0.25

RHOC (g/cc)

0.25

ABHV (ft3)

Surface Calibration

				Readings			References			Results	
Loop:	Air	Loop			Air	Loop		m	b		
Deep	0.014	0.660	V		0.000	350.000	mmho/m	541.845	-7.742		
Medium	0.003	0.761	V		0.000	400.000	mmho/m	527.924	-1.569		
Internal:	Zero	Cal			Zero	Cal		m	b		
Deep	0.013	0.663	V		0.000	350.000	mmho/m	538.740	-6.964		
Medium	0.003	0.761	V		0.000	550.000	mmho/m	726.060	-2.265		

Downhole Calibration

				Readings			References			Results	
Internal:	Zero	Cal			Zero	Cal		m	b		
Deep	-0.857	351.396	mmho/m		-0.737	351.280	mmho/m	0.999	0.118		
Medium	0.187	400.090	mmho/m		0.077	399.987	mmho/m	1.000	-0.110		
Shallow	2.543	0.024	V		500.000	2.000	Ohm-m	197.760	-3.500		

After Survey Verification

				Readings			Targets			Results	
Internal:	Zero	Cal			Zero	Cal		m'	b'		
Deep	0.000	0.000	mmho/m		-0.857	351.396	mmho/m	0.999	0.118		
Medium	0.000	0.000	mmho/m		0.187	400.090	mmho/m	1.000	-0.110		
Shallow	0.000	0.000	Ohm-m		500.000	2.000	Ohm-m	1.000	0.000		

Compensated Density Calibration Report

Serial-Model: 2501DHT-DHT
 Source / Verifier: csv-j12 /
 Master Calibration Performed: Fri Aug 07 23:08:40 2015
 Before Survey Verification Performed:
 After Survey Verification Performed:

Master Calibration

	Density		Far Detector	Near Detector	
Magnesium	1.750	g/cc	711.36	284.22	cps
Aluminum	2.660	g/cc	133.07	183.42	cps
Spine Angle = 75.36			Density/Spine Ratio = 0.525		
	Size		Reading		
Small Ring	7.65	in	6234.28		
Large Ring	14.00	in	10469.70		

Before Survey Verification

Target	Measured
g/cc	g/cc
g/cc	g/cc
g/cc	g/cc

After Survey Verification

Tool Model: P2000
 Performed: Sat Aug 08 00:34:38 2015

Calibrator Value: 1.0 GAPI

Background Reading: 0.0 cps
 Calibrator Reading: 1.0 cps

Sensitivity: 0.2200 GAPI/cps

Neutron Calibration Report

Serial Number: 5108
 Tool Model: PROBE
 Performed: Wed Jul 15 10:05:09 2015

Calibrator Value: 1 NAPI

Calibrator Reading: 1 cps

Sensitivity: 1 NAPI/cps

Sensor	Offset (ft)	Schematic	Description	Length (ft)	O.D. (in)	Weight (lb)
NEU	36.60		None	0.75	1.50	5.00
			NEU-PROBE (5108) Probe	4.92	3.63	85.00
GR	30.81		GR-P2000 (2000)	3.67	3.25	40.00
LSD DCAL SSD HEADVOLT	22.02 21.73 21.48 19.71		DHT (2501DHT) Digital High Temp CDL Tool	9.69	4.00	201.00
SP CILD	10.60 10.60		DIL-ADM (1842) Dual Induction	19.71	4.00	300.00
CILM	6.89					
RLL3	1.70					

Dataset: naee-35oh.db: field/well/run1/pass1.2
 Total length: 38.73 ft
 Total weight: 631.00 lb



MICRO RESISTIVITY LOG

Company NAE, INC.

Well E&C #2-35

Field Terwilliger Northwest

County Lane State Kansas

Location: API #: 15 101 22570

693' FNL & 1663' FWL

Other Services
CDNL
DIL
BCS

SEC 2 TWP 17S RGE 29W

Permanent Datum Ground Level Elevation 2796'
Log Measured From KB 11' AGL
Drilling Measured From KB

Elevation
K.B. 2807'
D.F. 2806'
G.L. 2796'

Company NAE, INC.
Well E&C #2-35
Field Terwilliger Northwest
County Lane
State Kansas

Date	8-11-15
Run Number	Two
Depth Driller	4611'
Depth Logger	4610'
Bottom Logged Interval	4590
Top Log Interval	3600'
Casing Driller	8 5/8" @ 226'
Casing Logger	226'
Bit Size	7 7/8"
Type Fluid in Hole	Chemical
Density / Viscosity	9.3/54
pH / Fluid Loss	9.0/8.0
Source of Sample	Pit
Rm @ Meas. Temp	1.8@78degf
Rmf @ Meas. Temp	1.35@78degf
Rmc @ Meas. Temp	2.16@78degf
Source of Rmf / Rmc	Calculated
Rm @ BHT	1.25@112degf
Time Circulation Stopped	5:30 p.m.
Time Logger on Bottom	9:15 p.m.
Maximum Recorded Temperature	112degf
Equipment Number	T127
Location	Hays, KS
Recorded By	Gus Pfanenstiel

All interpretations are opinions based on inferences from electrical or other measurements and we cannot and do not guarantee the accuracy or correctness of any interpretation, and we shall not, except in the case of gross or willful negligence on our part, be liable or responsible for any loss, costs, damages, or expenses incurred or sustained by anyone resulting from any interpretation made by any of our officers, agents or employees. These interpretations are also subject to our general terms and conditions set out in our current Price Schedule.

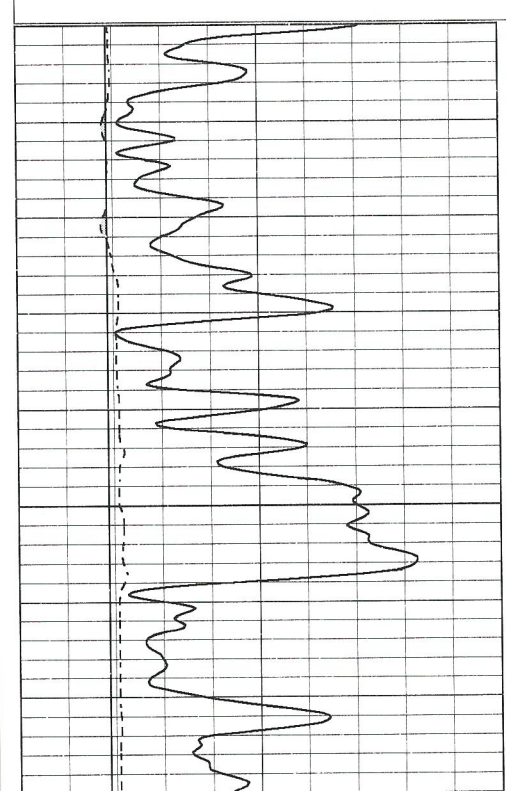
Comments



Main Pass

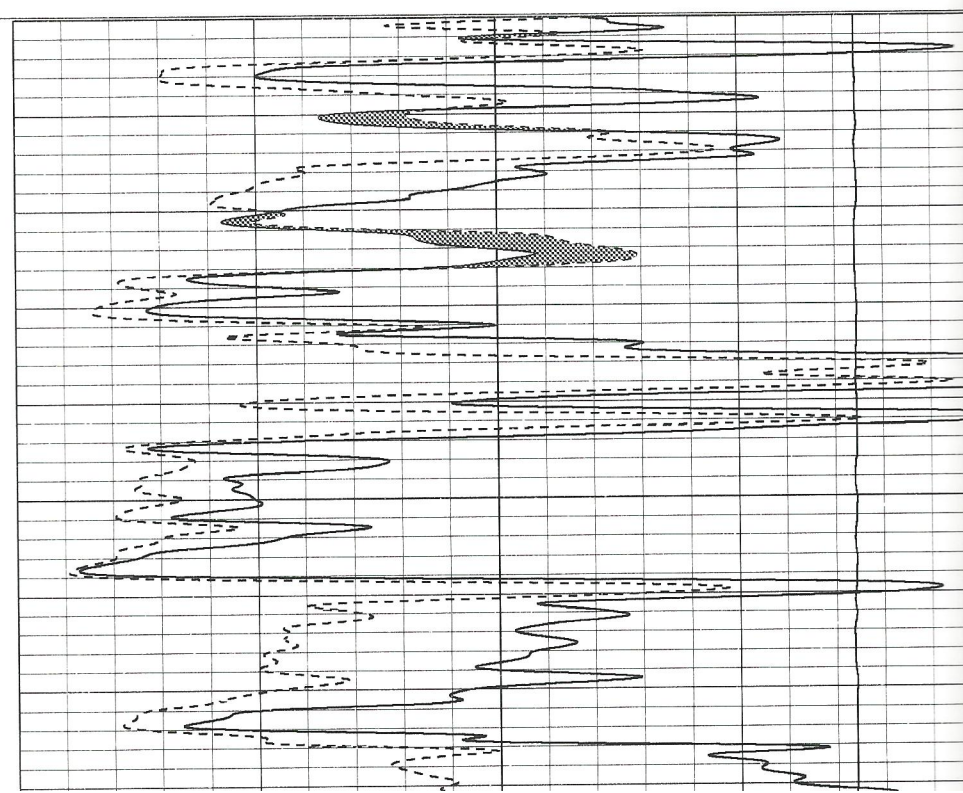
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 Dataset Pathname pass4.1
 Presentation Format kml
 Dataset Creation Tue Aug 11 21:36:46 2015
 Charted by Depth in Feet scaled 1:240

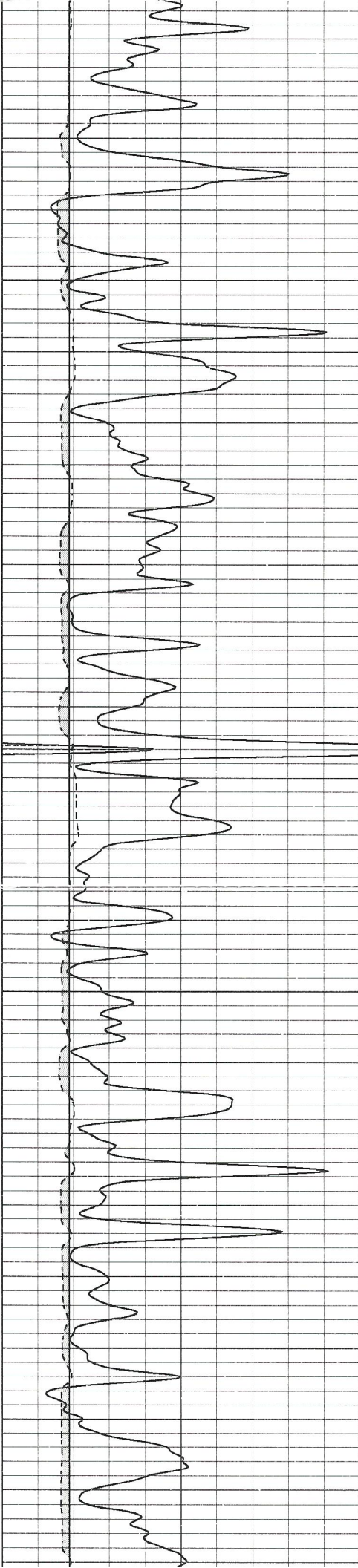
0	GR (GAPI)	150	0	MN 2" (Ohm-m)	20
6	MCAL (in)	16	0	MI 1" (Ohm-m)	20
6	BOREID (in)	16	10000	LTEN (lb)	0



3000

3650



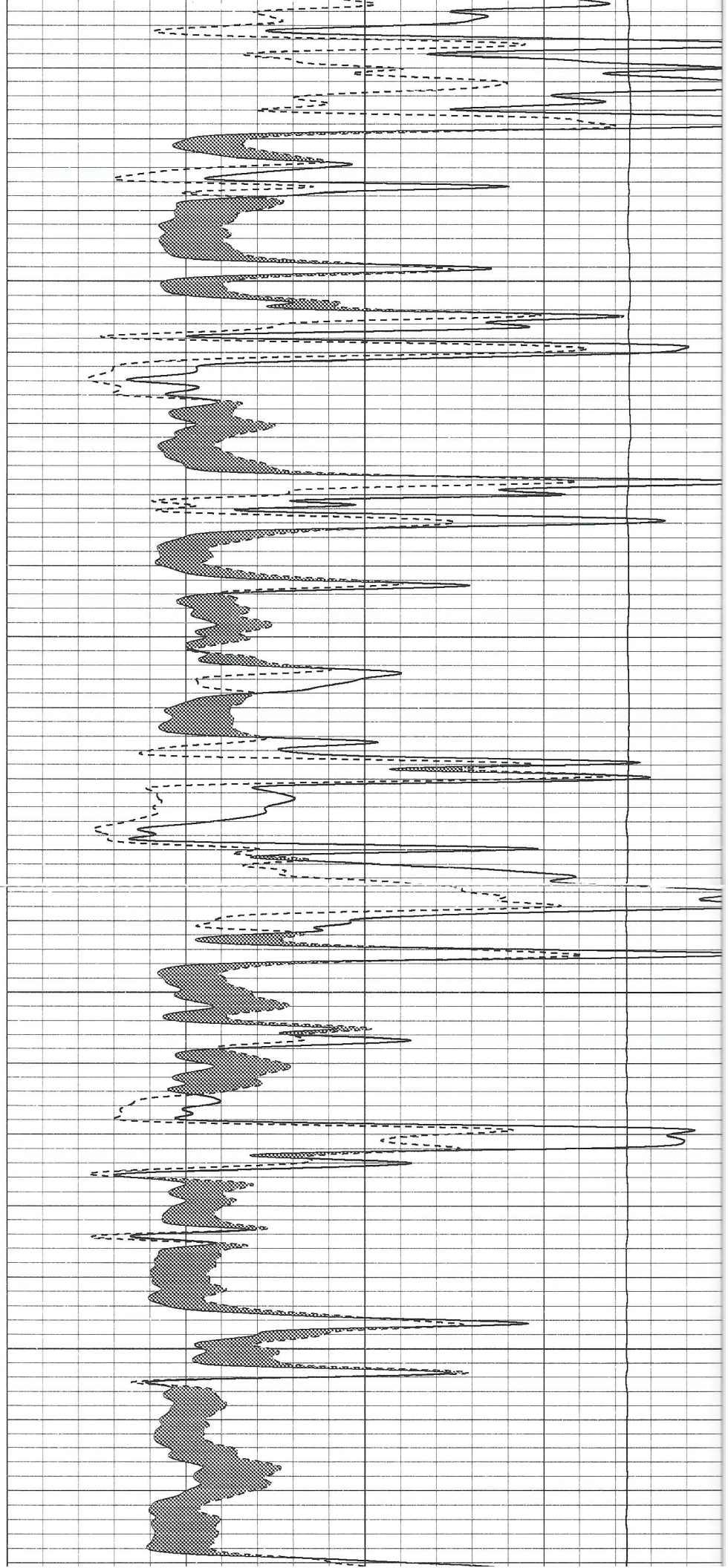


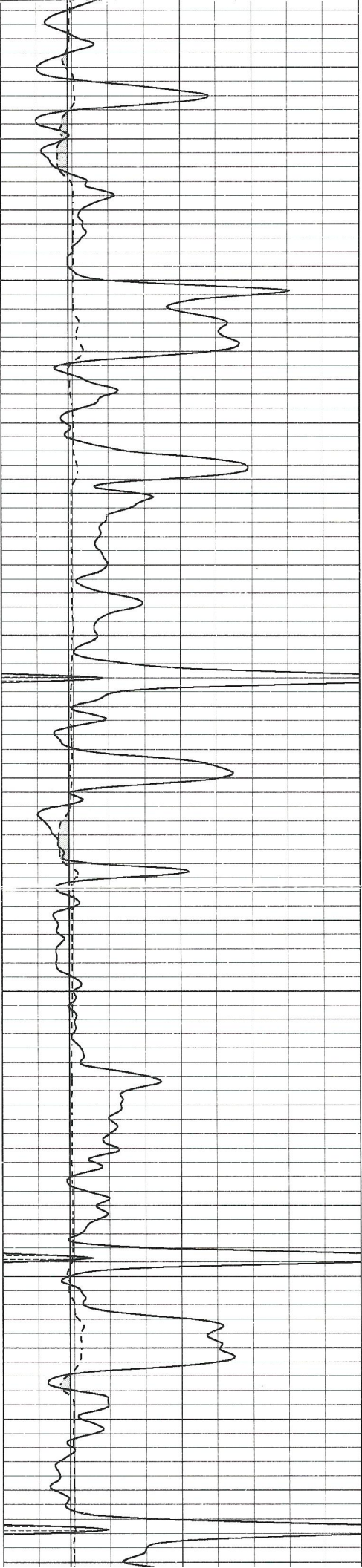
3750

3800

3850

3900



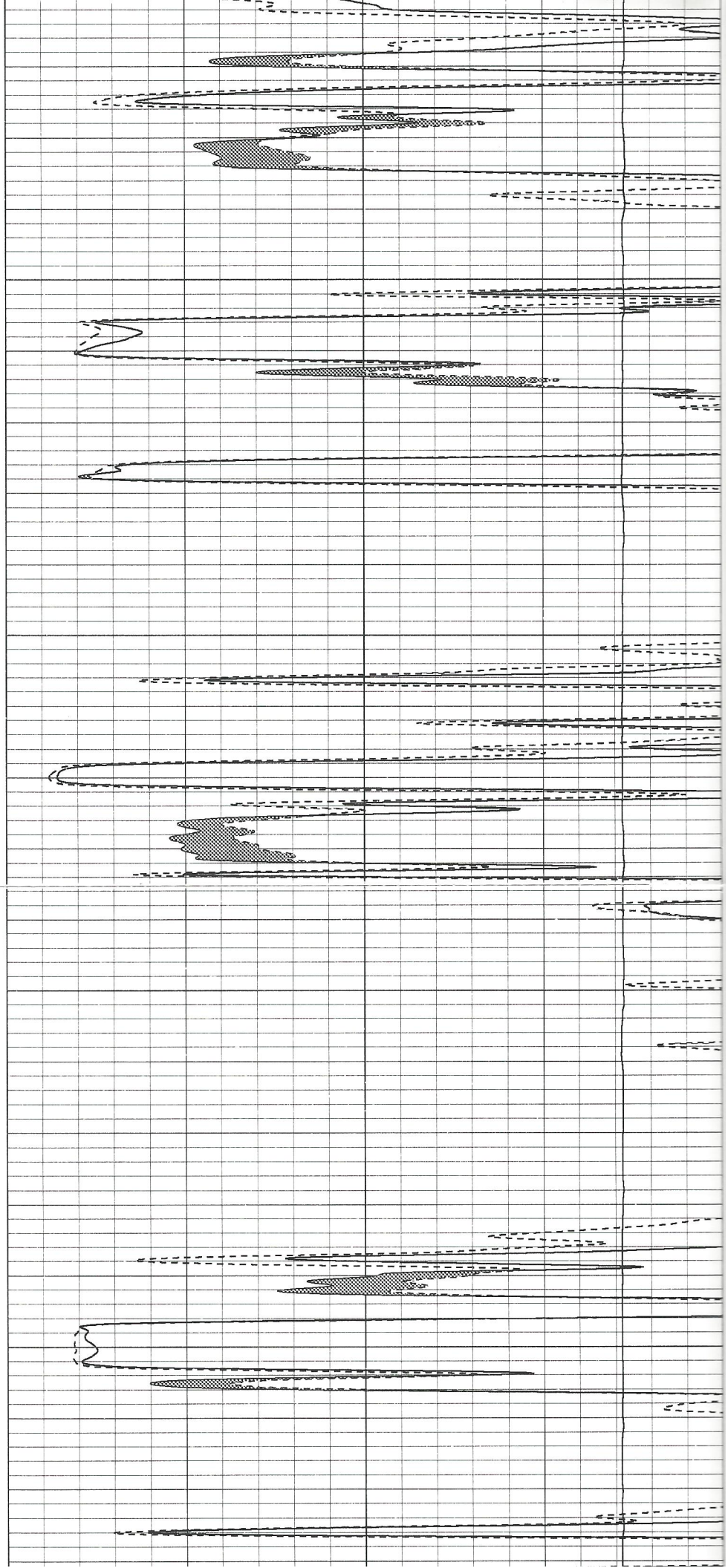


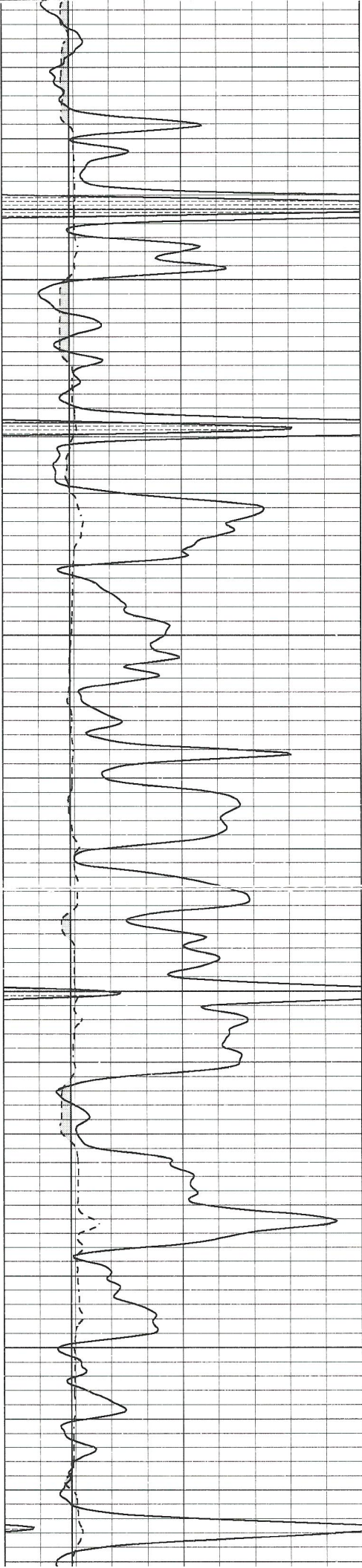
4000

4050

4100

4150



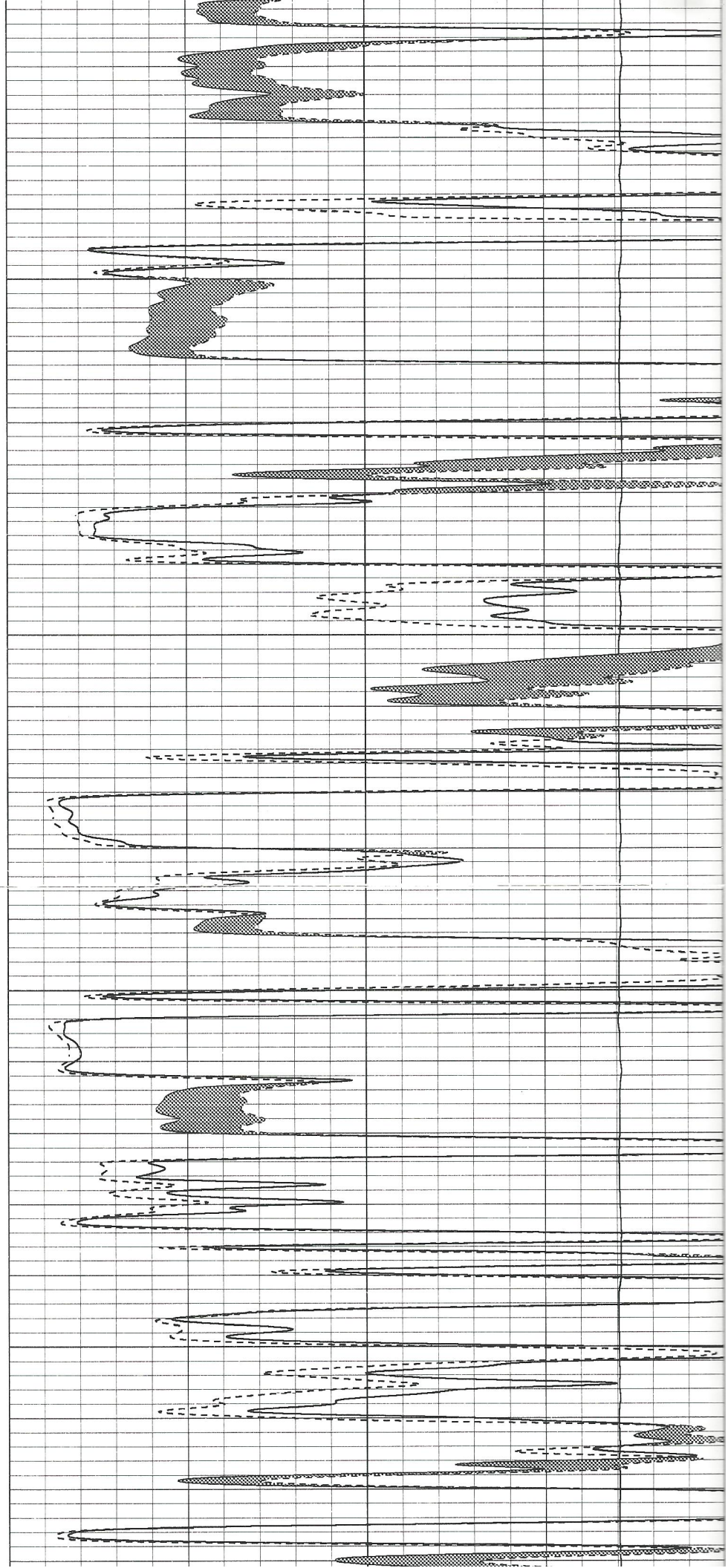


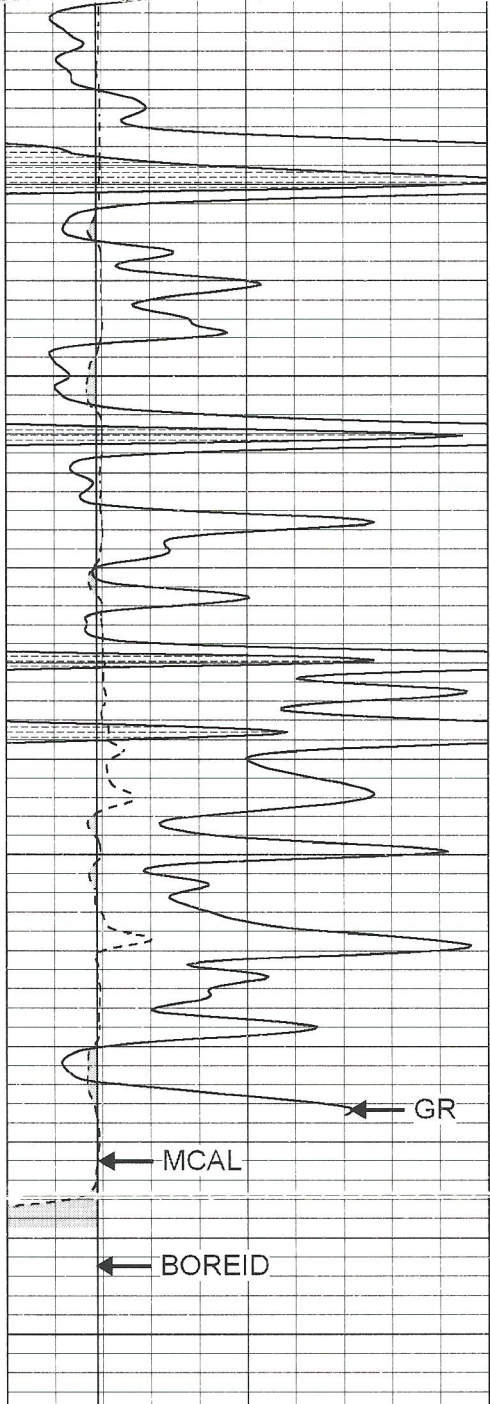
4250

4300

4350

4400





4500

4550

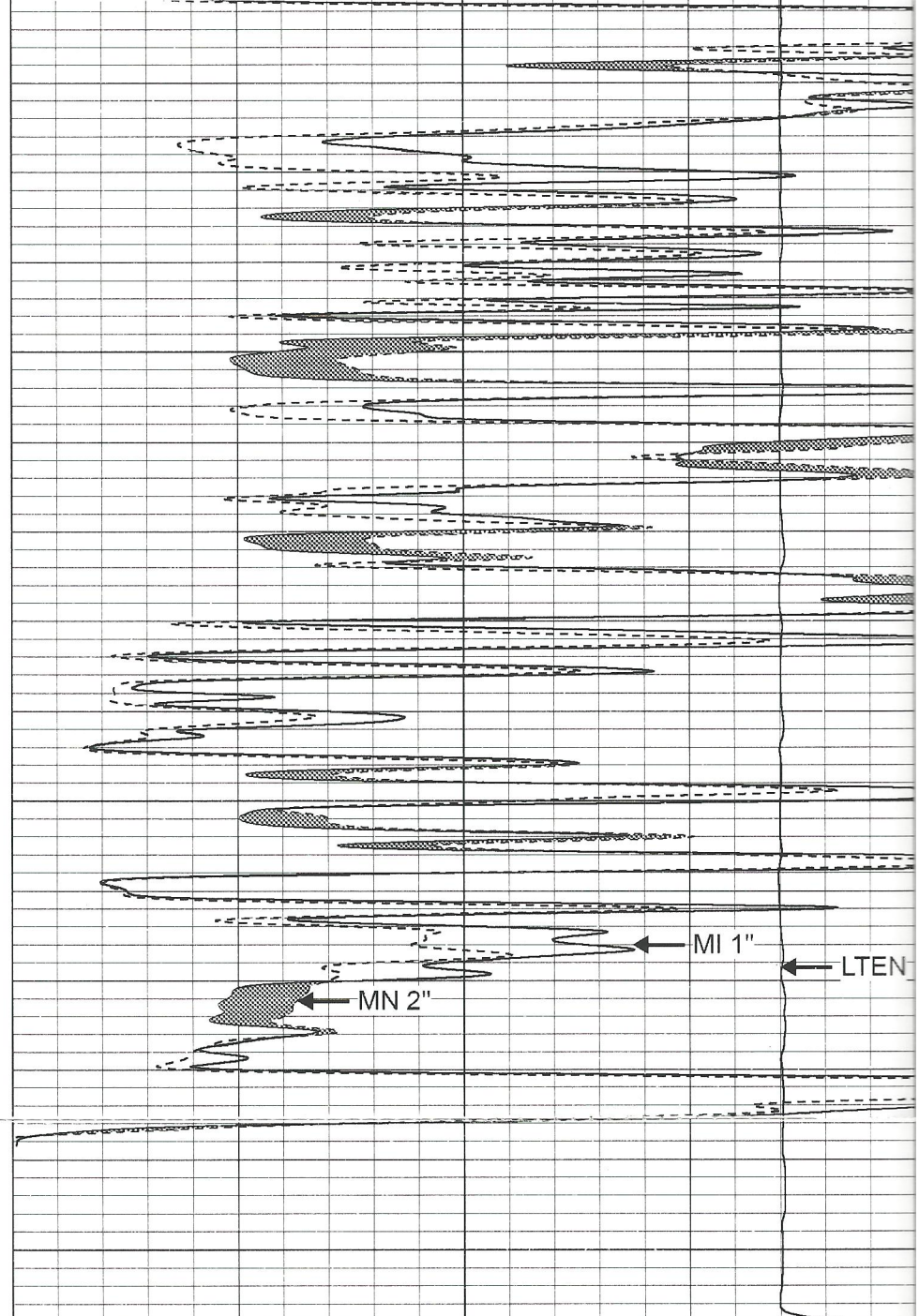
4600

← GR

← MCAL

← BOREID

0	GR (GAPI)	150
6	MCAL (in)	16
6	BOREID (in)	16



← MN 2"

← MI 1"

← LTEN

0	MN 2" (Ohm-m)	20
0	MI 1" (Ohm-m)	20
10000	LTEN (lb)	0

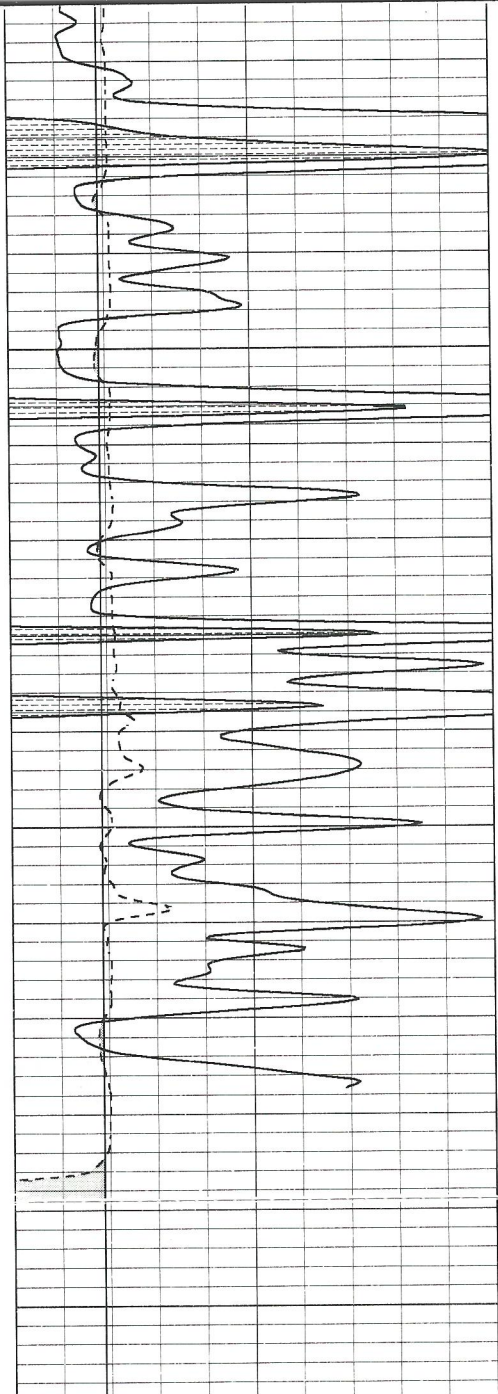


Repeat Pass

Database File naee&c#2-35oh.db
 Dataset Pathname pass3
 Presentation Format kml
 Dataset Creation Tue Aug 11 21:10:43 2015
 Charted by Depth in Feet scaled 1:240

0	GR (GAPI)	150
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0	MN 2" (Ohm-m)	20
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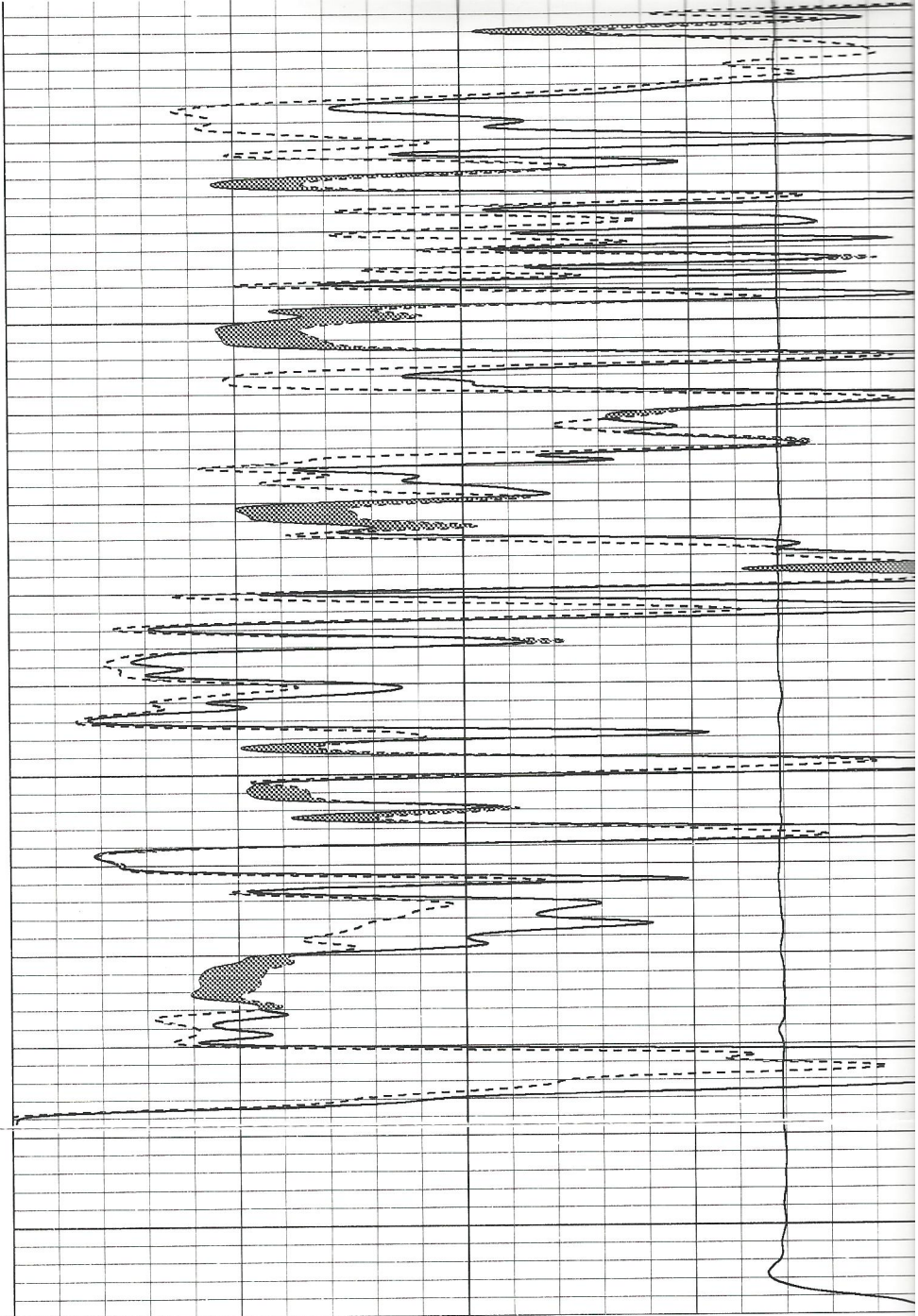


4500

4550

4600

0	GR (GAPI)	150
6	MCAL (in)	16
6	BOREID (in)	16



0	MN 2" (Ohm-m)	20
0	MI 1" (Ohm-m)	20
10000	LTEN (lb)	0

Calibration Report

Database File naee&c#2-35oh.db
 Dataset Pathname pass3
 Dataset Creation Tue Aug 11 21:10:43 2015

Microlog Calibration Report

Serial-Model: 1600-Pengo
 Performed: Tue Aug 04 18:44:58 2015

Readings		References		Results	
Zero	Cal	Zero	Cal	m	b

Calibrator Value:	1.0	GAPI
Background Reading:	0.0	cps
Calibrator Reading:	1.0	cps
Sensitivity:	0.2200	GAPI/cps

Sensor	Offset (ft)	Schematic	Description	Length (ft)	O.D. (in)	Weight (lb)
GR	28.13		GR-P2000 (2000)	3.67	3.25	40.00
MCAL	21.05		ML-Pengo (1600)	6.97	3.50	100.00
MI	21.05		SLT-G (101127) Sonic	15.71	3.50	250.00
MN	21.05					
WVF4	13.79					
WVF3	12.79		OHshort Open Hole short centralizer	4.04	3.50	50.00
WVF2	9.79					
WVF1	8.79					

Dataset: naee&c#2-35oh.db: field/well/run1/pass3
 Total length: 30.38 ft
 Total weight: 440.00 lb
 O.D.: 3.50 in

Conservation Division
266 N. Main St., Ste. 220
Wichita, KS 67202-1513



Phone: 316-337-6200
Fax: 316-337-6211
<http://kcc.ks.gov/>

Shari Feist Albrecht, Chair
Jay Scott Emler, Commissioner
Pat Apple, Commissioner

Sam Brownback, Governor

January 19, 2016

Frank Taggart
NAE, Inc.
317 SIDNEY BAKER S
PMB 137
KERRVILLE, TX 78028

Re: ACO-1
API 15-101-22570-00-00
E&C 2-35
NW/4 Sec.02-17S-29W
Lane County, Kansas

Dear Frank Taggart:

K.A.R. 82-3-107 provides for all completion information to be filed within 120 days of the spud date. Subsection(e)(2) of that regulation states "All rights to confidentiality shall be lost if the filings are not timely."

The above referenced well was spudded on 08/05/2015 and the ACO-1 was received on January 18, 2016 (not within the 120 days timely requirement).

Therefore, your request for confidential treatment of data contained within the ACO-1 filing cannot be granted at this time.

If you should have any questions, please do not hesitate to contact me at (316)337-6200.

Sincerely,

Production Department