

Confidentiality Requested:

Yes  No

KANSAS CORPORATION COMMISSION 1355272  
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
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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: \_\_\_\_\_

1355272

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 <input type="checkbox"/> Yes <input type="checkbox"/> No <i>(Attach Additional Sheets)</i>  Samples Sent to Geological Survey <input type="checkbox"/> Yes <input type="checkbox"/> No  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: _____	<input type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample  Name Top Datum
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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

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

<b>DISPOSITION OF GAS:</b> <input type="checkbox"/> Vented <input type="checkbox"/> Sold <input type="checkbox"/> Used on Lease <i>(If vented, Submit ACO-18.)</i>	<b>METHOD OF COMPLETION:</b> <input type="checkbox"/> Open Hole <input type="checkbox"/> Perf. <input type="checkbox"/> Dually Comp. <input type="checkbox"/> Commingled <i>(Submit ACO-5)</i> <input type="checkbox"/> Other <i>(Specify)</i> _____	<b>PRODUCTION INTERVAL:</b> _____ _____
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Form	ACO1 - Well Completion
Operator	Merit Energy Company, LLC
Well Name	HYLBOM A 12
Doc ID	1355272

All Electric Logs Run

ANNULAR HOLE VOLUME
ARRAY COMPENSATED TRUE RESISTIVITY LOG
ARRAY COMPENSATED TRUE RESISTIVITY LOG 1
ARRAY COMPENSATED TRUE RESISTIVITY LOG 2
BOREHOLE COMPENSATED SONIC ARRAY LOG
DUAL SPACED NEUTRON SPECTRAL DENSITY LOG
MICROLOG
QUAD COMBO LOG

Form	ACO1 - Well Completion
Operator	Merit Energy Company, LLC
Well Name	HYLBOM A 12
Doc ID	1355272

Tops

Name	Top	Datum
HEEBNER	3765	
LANSING	3813	
SWOPE	4160	
MARMATON	4329	
PAWNEE	4406	
CHEROKEE	4452	
MORROW	4668	
ST GENEVIEVE	4794	
ST LOUIS	4853	



**TAX ID 81-1373543**

<b>Field Ticket Number:</b> LIB1702102242	<b>Field Ticket Date:</b>	Friday, February 10, 2017
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**Bill To:**  
MERIT ENERGY COMPANY  
Liberal, KS 67901  
P O Box 1293 / 1900 W 2nd St

**Job Name:** 01 Surface  
**Well Location:** FINNEY, KS  
**Well Name:** HYLBOM A  
**Well Number:** 12  
**Well Type:** New Well  
**Rig Number:** Duke Drilling # 9  
**Shipping Point:** Liberal, KS  
**Sales Office:** Mid Con

PERSONEL	EQUIPMENT
ALDO ESPINOZA	984-
CRISTIAN CAMACHO	1071-545
GERARDO BURCIAGA	530-786

**SERVICES - SERVICES - SERVICES**

Description	QTY	UOM	Unit Amt	Gross Amt	Unit Net	Discount	Net Amount
PUMP, CASING CEMENT 1001-2000 FT	1.00	min. 4 hr	2,213.75	2213.75	774.81	65.0%	774.81
CMLP	1.00	per day	275.00	275.00	96.25	65.0%	96.25
PHDL	654.00	per cu. Ft.	2.48	1621.92	0.87	65.0%	567.67
DRYG	1415.00	ton-mile	2.75	3891.25	0.96	65.0%	1,361.94
MILV	50.00	per mile	4.40	220.00	1.54	65.0%	77.00
MIHV	50.00	per mile	7.70	385.00	2.70	65.0%	134.75

**FLOAT EQUIPMENT -- FLOAT EQUIPMENT -- FLOAT EQUIPMENT**

GS-8.625	1.00	each	460.00	460.00	207.00	55.0%	207.00
SSFC-8.625	1.00	each	1,214.00	1,214.00	546.30	55.0%	546.30
CEN-8.625	15.00	each	75.00	1,125.00	33.75	55.0%	506.25
TRP - 8.625	1.00	each	131.00	131.00	58.95	55.0%	58.95

**MATERIALS - MATERIALS - MATERIALS**

--	10.00	bbl	0.00	0.00	0.00	65.0%	0.00
CB-AMDAL	370.00	sack	26.57	9,830.90	9.30	65.0%	3,440.82
CA-100	1044.00	pound	1.10	1,148.40	0.39	65.0%	401.94
CLC-CPF	185.00	pound	2.97	549.45	1.04	65.0%	192.31
CCAC	175.00	sack	17.90	3,132.50	6.27	65.0%	1,096.38
CA-100	329.00	pound	1.10	361.90	0.39	65.0%	126.67
CLC-CPF	88.00	pound	2.97	261.36	1.04	65.0%	91.48

**ADDITIONAL ITEMS - ADDITIONAL ITEMS - ADDITIONAL ITEMS**

Additional hours, in excess of set hours	4.00	per hour	440.00	1,760.00	154.00	65.0%	616.00
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	Gross	Discount	Final
<b>Services Total</b>	8,606.92	5,594.50	3,012.42
<b>Equipment Total</b>	2,930.00	1,611.50	1,318.50
<b>Materials Total</b>	15,284.51	9,934.93	5,349.58
<b>Additional Items</b>	1,760.00	1,144.00	616.00
<b>Final Total</b>	<b>28,581.43</b>	<b>18,284.93</b>	<b>10,296.50</b>

Customer Agent: ALDO ESPINOZA

This output does NOT include taxes. Applicable sales tax will be billed on the final invoice.  
Customer hereby acknowledges receipt of the materials and services described above and on the attached documents.  
I have read and understand the "GENERAL TERMS AND CONDITIONS" listed on the following page.

X   
Customer Signature

Field Ticket Total (USD):

**\$10,296.50**

Cementing Services  
Field Ticket

Printed on 2/10/2017 at 11:14 PM

Well Hylbarn A-12  
AFE 45631  
GL 83001075  
Office Garden City  
Date 2-10-17



## Cement Job Summary

Job Number: <b>LIB1702102242</b>		Job Purpose: <b>01 Surface</b>	
Customer:	<b>MERIT ENERGY COMPANY</b>		Date: <b>2/10/2017</b>
Well Name:	<b>HYLBOM</b>	Number: <b>A 12</b>	API/UWI:
County:	<b>FINNEY</b>	City:	State: <b>KS</b>
Cust. Rep:	<b>RODNEY</b>	Phone:	Rig Phone:
Legal Desc:		Rig Name: <b>Duke Drilling#9</b>	
Distance: <b>50 miles (one way)</b>		Supervisor:	<b>Aldo Espinosa</b>

Employees:	Emp. ID:	Employees:	Emp. ID:
ALDO ESPINOZA			
CRISTIAN CAMACHO			
GERARDO BURCIAGA			
Equipment:			
984-			
1071-545			
530-786			

Well Information						
Open Hole Section						
Description:	Size (in):	Excess	Top MD (ft)	Btm MD (ft)		
OPEN HOLE	12 1/4	110%	1495	1,730	TAIL CEMENT	
OPEN HOLE	12 1/4	110%	0	1,495	LEAD CEMENT	
OPEN HOLE	12 1/4			0		
OPEN HOLE	12 1/4					
Tubulars						
Description:	Size (in):	Wgt. (lb/ft)	ID (in)	Grade:	Top MD (ft)	Btm MD (ft)
TOTAL CASING	8 5/8	24	8.097	J-55	0	1,751
SHOE	8 5/8	24	8.097	J-55	1,709	1,751

Materials - Pumping Schedule						
Fluid Name	Description	Rqstd Qty	Density	Yield	Water (gal/sk)	
Spacer 1	Fresh Water	10	8.33	n/a	n/a	
Fluid Name	Description	Rqstd Qty	Density	Yield	Water (gal/sk)	
Lead 1	ALLIED MULTI-DENSITY CEMENT - CLASS A	370	12.10	2.55	14.86	
Addl. Additive	Description	Conc. (lb/sk)	Determined by	Load Volume	UOM	
CA-100	CALCIUM CHLORIDE, PELLETS OR FLAKE	2.82	% BWOC	1043.4	lbm	
CLC-CPF	CELLOPHANE FLAKES	0.5	lb/sk	185.0	lbm	
Fluid Name	Description	Rqstd Qty	Density	Yield	Water (gal/sk)	
Tail 1	CLASS A COMMON	175	15.20	1.27	5.74	
Addl. Additive	Description	Conc. (lb/sk)	Determined by	Load Volume	UOM	
CA-100	CALCIUM CHLORIDE, PELLETS OR FLAKE	1.88	% BWOC	329.0	lbm	
CLC-CPF	CELLOPHANE FLAKES	0.5	lb/sk	87.5	lbm	
Fluid Name	Description	Rqstd Qty	Density	Yield	Water (gal/sk)	
Disp. 1	Displacement	108.8	8.33	n/a	n/a	

Job Number: <b>LIB1702102242</b>		Job Purpose: <b>01 Surface</b>	
Customer:	<b>MERIT ENERGY COMPANY</b>		Date: <b>2/10/2017</b>
Well Name:	<b>HYLBOM A</b>	Number: <b>12</b>	API/UWI:
County:	<b>FINNEY</b>	City:	State: <b>KS</b>
Cust. Rep:	<b>RODNEY</b>	Phone:	Rig Phone: <b>0</b>
Distance: <b>50 miles (one way)</b>		Supervisor:	<b>Aldo Espinosa</b>





## BJ SERVICES, LLC NORTH AMERICAN TERMS AND CONDITIONS

All work orders for services ("Services" or "Work") and purchase orders for the supply of products or chemicals ("Products") (collectively, "Work Orders") to be provided by BJ Services LLC or its affiliates ("BJ") to its customers (each a "Customer") are subject to acceptance by BJ, and any Work Orders so accepted will be governed by the pricing proposal, the Work Order, and these Terms and Conditions, unless the Customer and BJ Services, LLC (collectively the "Parties") have executed a Master Service Agreement, which terms shall control.

### 1. PAYMENT TERMS

Unless alternate payment terms are specified or approved by the BJ Credit Department, all charges billed by BJ must be paid within thirty (30) days of the date of invoice. For invoices, unpaid after thirty (30) days, discounts from list price may be revoked, interest may be charged at the rate of ten percent (10%) per annum or the maximum legal rate, liens may be filed, and Customer shall pay BJ all costs of collection, including reasonable attorneys' fees and court costs, in addition to other amounts due. Operating, production or well conditions that prevent satisfactory operation of Services or Products do not relieve Customer of its payment responsibility.

### 2. CANCELLATION AND RETURNS

A. Products: Product Orders may only be cancelled with written authorization from BJ. Customer may be charged a restocking charge of twenty-five percent (25%), plus any packing and transportation costs incurred. Products specially manufactured to Customer specifications, or orders for substantial quantities may not be cancelled. Delivered Products may only be returned for credit (less the restocking fee and transport costs) in unused, reusable condition, in original unopened containers.  
B. Services: In the event Customer cancels an order for Services without cause, Customer shall be liable for all reasonable costs incurred by BJ including mobilization/demobilization.

### 3. THIRD-PARTY CHARGES, TAXES

Customer shall pay all third-party charges, in compliance with BJ's current price list, and any sales, use, rental or other taxes that may be applicable. Customer shall pay all applicable customs, excise, import and other duties unless otherwise agreed in writing. Customer shall provide necessary import licenses and extensions.

### 4. INDEPENDENT CONTRACTOR

It is expressly understood that BJ is an independent contractor, and that neither BJ nor its principals, partners, employees or subcontractors are servants, agents or employees of Customer.

Where BJ provides Services in Louisiana, the Services provided by BJ and its subcontractors are an integral part of, and are essential to the ability of Customer to generate Customer's goods, products, and services, and therefore BJ and Customer agree that Customer is the statutory employer of BJ's employees and its subcontractor's employees under La. R.S. 23:1061 (A) (3).

### 5. LIABILITIES, RELEASES AND INDEMNIFICATION:

A. In these Terms and Conditions (i) "BJ Group" means BJ, its parent, subsidiary, joint venturers, and affiliated or related companies; its subcontractors at any tier; and the officers, directors, employees, consultants, and agents of all of the foregoing; (ii) "Claims" means all claims, demands, causes of action, liabilities, damages, judgments, fines, penalties, awards, losses, costs, expenses (including, without limitation, attorneys' fees and costs of litigation) of any kind or character arising out of, or related to, the performance of the Services or Products provided; (iii) "Consequential Damages" means any indirect, special, punitive, exemplary or consequential damages or losses (even unforeseeable), and damages for lost production, lost revenue, loss of hole, control of well, lost profit, lost business, lost business opportunities, or charges for rig time, regardless of whether the same would be considered direct, indirect, special, punitive, exemplary or consequential damages or losses under applicable law; (iv) "Customer Group" means Customer, its parent, subsidiary and affiliated or related companies; its co-lessees, co-owners, partners, joint operators and joint venturers; its client or customer if it is not the end user of the Services or Products; its other contractors at any tier; and the officers, directors, employees, consultants, and agents of all of the foregoing; (v) "Pollution Claims" means all Claims relating to pollution or contamination of water, land, or air, including without limitation, adverse effects on the environment or any form of property, or any violation or alleged violation of environmental statutes, ordinances, laws, orders, rules and regulations; (vi) "Tools" means any of BJ Group's instruments, equipment, or tools, and (vii) "Waste" means any cuttings, muds, waste, water, or materials from the well that where Services are performed by BJ.

B. BJ SHALL RELEASE, INDEMNIFY, DEFEND AND HOLD CUSTOMER GROUP HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS ARISING OUT OF OR RELATED TO (I) PERSONAL OR BODILY INJURY, ILLNESS, SICKNESS, DISEASE OR DEATH OF ANY MEMBER OF BJ GROUP, AND (II) LOSS, DAMAGE OR DESTRUCTION OF REAL OR PERSONAL PROPERTY, WHETHER OWNED, LEASED, OR CHARTERED, OF ANY MEMBER OF BJ GROUP.

C. CUSTOMER SHALL RELEASE, INDEMNIFY, DEFEND AND HOLD BJ GROUP HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS ARISING OUT OF OR RELATED TO (I) PERSONAL OR

BODILY INJURY, ILLNESS, SICKNESS, DISEASE OR DEATH OF ANY MEMBER OF CUSTOMER GROUP, AND (II) LOSS, DAMAGE OR DESTRUCTION OF REAL OR PERSONAL PROPERTY, WHETHER OWNED, LEASED, OR CHARTERED, OF ANY MEMBER OF CUSTOMER GROUP.

D. SUBJECT TO THE PERSONAL INJURY PROVISIONS OF ARTICLE 5(B) ABOVE, BJ SHALL PROTECT, DEFEND AND INDEMNIFY CUSTOMER GROUP FROM AND AGAINST ALL CLAIMS, DEMANDS AND CAUSES OF ACTION, INCLUDING POLLUTION CLAIMS, ARISING FROM POLLUTION OR CONTAMINATION WHICH ORIGINATES ABOVE THE SURFACE OF THE LAND OR WATER AND IS DIRECTLY ASSOCIATED WITH BJ GROUP'S EQUIPMENT OR OTHER EQUIPMENT IN ITS CONTROL, AND SHALL ASSUME ALL RESPONSIBILITY FOR CONTROL AND REMOVAL OF SAME.

E. SUBJECT TO THE PERSONAL INJURY PROVISIONS OF 5(C) ABOVE, CUSTOMER SHALL PROTECT, DEFEND AND INDEMNIFY BJ GROUP FROM AND AGAINST ALL CLAIMS, DEMANDS, AND CAUSES OF ACTION ARISING DIRECTLY OR INDIRECTLY FROM ANY EXISTING POLLUTION AT THE SITE AND FROM ALL OTHER POLLUTION OR CONTAMINATION, INCLUDING BUT NOT LIMITED TO POLLUTION RESULTING FROM FIRE, BLOWOUT, CRATERING, SEEPAGE OR OTHER UNCONTROLLED FLOW OF OIL, GAS, OR OTHER SUBSTANCE; OR RELATED TO THE TRANSPORTATION, STORAGE, TREATMENT, DISPOSAL OR HANDLING OF WASTE, AND SHALL ASSUME ALL RESPONSIBILITY FOR CONTROL AND REMOVAL OF SAME.

F. CUSTOMER SHALL RELEASE, DEFEND, INDEMNIFY AND HOLD BJ GROUP HARMLESS FROM AND AGAINST ANY CLAIMS FOR CONSEQUENTIAL DAMAGES ASSERTED BY OR IN FAVOR OF ANY MEMBER OF CUSTOMER GROUP. BJ SHALL RELEASE, DEFEND, INDEMNIFY AND HOLD CUSTOMER GROUP HARMLESS FROM AND AGAINST ANY CLAIMS FOR CONSEQUENTIAL DAMAGES ASSERTED BY OR IN FAVOR OF ANY MEMBER OF BJ GROUP.

G. THE EXCLUSIONS OF LIABILITY, RELEASES AND INDEMNITIES SET FORTH IN THIS ARTICLE 5 APPLY TO ANY CLAIM(S) WITHOUT REGARD TO THE CAUSE(S) THEREOF, INCLUDING BUT NOT LIMITED TO PRE-EXISTING CONDITIONS, WHETHER SUCH CONDITIONS BE PATENT OR LATENT, THE UNSEAWORTHINESS OF ANY VESSEL OR VESSELS, IMPERFECTION OF MATERIAL, DEFECT OR FAILURE OF PRODUCTS OR EQUIPMENT, BREACH OF REPRESENTATION OR WARRANTY (EXPRESS OR IMPLIED), ULTRAHAZARDOUS ACTIVITY, STRICT LIABILITY, TORT, BREACH OF CONTRACT, BREACH OF DUTY (STATUTORY OR OTHERWISE), BREACH OF ANY SAFETY REQUIREMENT OR REGULATION, OR THE NEGLIGENCE, GROSS NEGLIGENCE, OR OTHER LEGAL FAULT OR RESPONSIBILITY OF ANY PERSON, PARTY, OR ENTITY (INCLUDING THE INDEMNIFIED OR RELEASED PARTY), WHETHER SUCH FORM OF NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, ACTIVE OR PASSIVE. THE INDEMNITY PROVISIONS SET FORTH IN THIS ARTICLE 5 SHALL BE THE EXCLUSIVE REMEDIES AVAILABLE TO THE PARTIES FOR THE CLAIMS COVERED.

### 6. INSURANCE

Each Party agrees to support the indemnity obligations contained in Article 5 by carrying insurance (or qualified self-insurance) with reputable insurance companies in the following minimum amounts:

- A. Workers' Compensation Insurance complying with applicable state laws, and Employers' Liability Insurance in the amount of \$1,000,000 each accident for bodily injury by accident/\$1,000,000 each employee for bodily injury by disease/ \$1,000,000 policy limit.
- B. Commercial General Liability Insurance, including Products and Completed operations aggregate, sudden and accidental pollution (which may be provided for in a separate policy), in the amount of \$1,000,000 combined single limit per occurrence/\$2,000,000 in the aggregate.
- C. Automobile Liability Insurance in the amount of \$1,000,000 combined single limit for Bodily Injury and Property Damage, including coverage for all owned, hired, and non-owned vehicles.
- D. Excess Liability Insurance over that required in A (for Employer's Liability only), Band C in the minimum amount of \$5,000,000 each occurrence and in the aggregate, specifically including contractual liability coverage.

Upon written request, each party shall furnish to the other party certificates of insurance evidencing that adequate insurance to support each party's obligations has been secured. To the extent of each party's release and indemnity obligations, each party agrees that all such insurance policies shall (i) be primary to the other party's insurance, (ii) include the other party, its parent, subsidiary and affiliated or related companies, its subcontractors and other contractors, and its and their respective officers, directors, employees, consultants and agents as additional insured, and (iii) be endorsed to waive subrogation against the other party, its parent, subsidiary and affiliated or related companies, its subcontractors and other contractors, and its and their respective officers, directors, employees, consultants and agents.

### 7. CONFIDENTIALITY

Each party shall maintain all data and information obtained from the other party in strict confidence, subject only to disclosure required by law or legal process. The design, construction, application and operation of BJ's Services and Products embody proprietary and confidential information. Customer shall maintain this information in strict confidence and shall not disclose it to others, subject only to disclosure required by law or legal process.

HEADQUARTERS  
(281) 408 2361

www.BJservices.com

11211 FM 2920 Rd.  
Tomball, Texas 77375



**8. ACCESS TO WELL AND WELL SITE STORAGE**

Customer shall provide at its expense adequate access to and from the well site, and shall obtain all permits, licenses or other authorization required for BJ to enter upon work areas for the purposes contemplated. Customer shall provide proper storage space at the well site, meeting all applicable safety and security requirements and consistent with good industry practices, for the Tools and Products, including, without limitation, all radioactive materials. BJ reserves the right not to perform Work if the job or conditions of the location render such performance inadvisable.

**9. RADIOACTIVE SOURCES**

Customer agrees to comply with all applicable governmental regulations governing the use and handling of radioactive sources. In the event a radioactive source becomes stuck in a well, Customer, at Customer's sole risk and expense will make a reasonable attempt to recover such radioactive source in accordance with 10 C.F.R § 39.15(a)(1)-(4) or other applicable regulations and use special precautions to prevent damaging the source during recovery operations. If the source cannot be recovered, Customer, at Customer's sole risk and expense, will isolate the radioactive material by cementing it in place or by other means consistent with 10 C.F.R § 39.15 or other applicable statutes or regulations.

**10. STANDARD OF PERFORMANCE**

**E. Services:** BJ warrants (i) that all Services shall be performed in compliance with all applicable laws, rules and regulations (including all safety codes, statutes, regulations, precautions, and procedures) and utilizing all necessary Protective equipment and devices, (ii) that all Services shall be done with the utmost skill, care and diligence, in a good and workmanlike manner, in accordance with the terms hereof, the specifications set forth in the applicable Order, and good industry standards of performance and in a timely manner; and (iii) that BJ, its subcontractors and their employees are sufficiently experienced and suitably trained to perform the Services. In the event that the Services fail to conform to such specifications, BJ shall re-perform that part of the non-conforming Services, provided BJ is notified in writing by Customer prior to demobilization.

**F. Products:** BJ warrants that the Products shall conform to BJ's published specifications or the specifications agreed to in writing. If any of the Products fail to conform, BJ shall repair or replace the non-conforming Products, or issue credit to the Customer. In the event BJ is requested to develop, manufacture, test or use Products that are intended to satisfy a unique need identified by Customer and are not "standard" Products of BJ ("Specialty Products"), Customer recognizes and agrees that Specialty Products may not have or contain the same or similar characteristics as BJ's standard Products, including historical performance against which future performance can be measured. In developing, manufacturing, testing and using any Specialty Product, BJ will be relying upon information and specifications provided by Customer regarding its unique needs, and will have no responsibility for the design, manufacture or engineering of any such Specialty Product. Upon inspection, if the Specialty Product fails to meet the specifications agreed to in writing by Customer, then BJ shall, at its option, repair or replace the non-conforming specialty Products with the type originally furnished to Customer or substitute with standard Products. BJ's warranty obligations are non-transferable and void if the non-conformity were caused by (i) Customer's failure to properly store or maintain the Products, (ii) abnormal well conditions, abrasive materials, corrosion due to aggressive fluids or incorrect specifications provided by Customer, (iii) unauthorized alteration of the Products, (iv) loss or damage while on Customer's site due to any negligence, vandalism or force majeure, or (v) use or handling by Customer in a manner inconsistent with BJ's recommendations. Further, BJ's warranty obligations shall terminate if Customer fails to perform its obligations under these Terms and Conditions. All transportation charges and removal and reinstallation charges related to the repair or replacement of non-conforming Products shall be borne by Customer, including shipment to BJ's facility.

**G. Goods:** BJ shall assign any vendor or supplier's warranty to Customer for any Products or goods purchased, to the extent such warranties are assignable.

**H. Recommendations.** Interpretations, research, analysis, recommendations, advice or interpretational data (specifically including, without limitation, any engineering designs, geological studies or analyses, well programs, reservoir models, production optimization or management programs) ("Recommendations") furnished by BJ are opinions based upon inferences from measurements, empirical relationships and assumptions, and industry practice. The inferences, assumptions and practices are not infallible, and with respect to which professional geologists, engineers, drilling consultants, and analysts may differ. Accordingly, BJ does not warrant the accuracy, correctness, or completeness of any interpretations or Recommendations, or that reliance on its interpretations and/or Recommendations will accomplish any particular results. CUSTOMER ASSUMES FULL RESPONSIBILITY FOR THE USE OF SUCH RECOMMENDATIONS AND FOR ITS DECISIONS.

OTHER THAN THE PROVISIONS IN THIS ARTICLE 10, BJ MAKES NO WARRANTY OR GUARANTEE OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING NO IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE REGARDING ANY SERVICES, EQUIPMENT OR PRODUCTS. IN NO EVENT SHALL BJ BE LIABLE FOR CONSEQUENTIAL DAMAGES INCURRED BY CUSTOMER GROUP AS A RESULT OF DEFECTIVE OR NON-CONFORMING SERVICES, EQUIPMENT OR PRODUCTS.

**11. INTELLECTUAL PROPERTY**

BJ intends to protect its intellectual property. Customer shall not resell the Products (or drawings related thereto) to others or reverse engineer or permit others to reverse engineer for the purpose of manufacturing similar Products. BJ owns and has legal rights to practice certain copyrights, marks, patents or pending applications on certain technology and items related to the Services or Products furnished. In the event that BJ makes any improvements on such technology, then BJ shall own all such improvements, including drawings, specifications, calculations and other documents.

BJ warrants that the use or sale of Products will not infringe valid patents of others by reason of the use or sale of such Products, and hereby agrees to RELEASE, DEFEND, INDEMNIFY AND HOLD CUSTOMER GROUP HARMLESS FROM AND AGAINST ALL CLAIMS for infringement of any such patent, provided that Customer shall promptly notify BJ in writing upon receipt of any claim for infringement, or upon the filing of any such suit for infringement, whichever first occurs, and shall afford BJ full opportunity, at BJ's option and expense, to answer such claim or threat of suit, assume the control of the defense of such suit, and settle or compromise same in any way BJ sees fit. BJ does not warrant that such Products: (i) will not infringe any such patent when not of BJ's manufacture, or specially made, in whole or in part, to the Customer's design specifications; or (ii) if used or sold in combination with other materials or apparatus or used in the practice of processes, will not, as a result of such combination or use, infringe any such patent, and BJ shall not be liable; AND CUSTOMER SHALL RELEASE, DEFEND, INDEMNIFY AND HOLD BJ HARMLESS FOR DAMAGES OR LOSSES OF ANY NATURE WHATSOEVER RESULTING FROM ALLEGED PATENT INFRINGEMENT ARISING PURSUANT TO (i) AND (ii) ABOVE.

**12. FORCE MAJEURE**

If either party is unable because of Force Majeure to carry out any of its obligations under these Terms and Conditions, other than obligations to pay money, then on such party giving notice and particulars in writing to the other party within a reasonable time after the occurrence of the cause relied upon, such obligations shall be suspended. "Force Majeure" shall include any event that is beyond the reasonable control of the party so affected including, without limitation, acts of God, laws and regulations, government action, war, civil disturbances, hijack, piracy, criminal action by a third party, threats or acts of terrorism, strikes and labor problems, delays of vendors or carriers, lightning, fire, flood, washout, storm, breakage or accident to equipment or machinery, and shortage of raw materials. If any suspension due to Force Majeure exceeds ten (10) consecutive days, either party may terminate these Terms and Conditions by written notice to the other party and Customer shall be liable for demobilization and any other reasonable costs incurred by BJ incidental to such termination.

**13. LAWS, RULES, REGULATIONS, AND EXPORT CONTROL**

BJ and Customer agree to comply with all laws, rules, regulations and decrees of any governmental or regulatory body having jurisdiction over the Services or Products to be provided by BJ or the work site or that may otherwise be applicable to BJ's or Customer's performance under these Terms and Conditions.

Services and Products and/or related technical data covered by these Terms and Conditions may be subject to U.S. and/or foreign trade controls. Customer agrees that it will not sell, re-export or transfer Products and/or related technical data except in full compliance with all governmental requirements including but not limited to economic sanctions and export controls administered by the U.S. Department of Treasury, U.S. Department of Commerce and U.S. Department of State. Customer agrees to comply with all BJ requests for trade compliance information, statements, and other assurances including, without limitation, requests for End-User and Routed Transaction certifications. BJ reserves the right to refuse to fulfill any Work Order or otherwise perform under these Terms and Conditions if BJ in its sole discretion determines that such action may violate any law or regulation.

**15. GOVERNING LAW, JURY WAIVER, AND VENUE**

The laws of the State of Texas shall apply and govern the validity, interpretation, and performance of these Terms and Conditions, any applicable Work Orders without regard to where work is provided. Any suit or proceeding regarding these Terms and Conditions or the Services or Products provided shall be brought exclusively in the state or federal courts located in the City of Houston and County of Harris, Texas. Each Party consents to the personal jurisdiction of the state and federal courts of Harris County, Texas, and waives any objection that such courts are an inconvenient forum or venue. References in these Terms and Conditions to any act, law, statute, rule, or regulation shall be deemed to include references to such as the same may be amended, replaced, or reenacted from time to time. EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY ACTION, SUIT OR PROCEEDING ARISING OUT OF OR RELATING TO THESE TERMS AND CONDITIONS.

**16. ASSIGNMENT**

BJ shall have the right to assign these Terms and Conditions to any of its affiliated companies without the consent of Customer.

**17. GENERAL**

Failure of either party to enforce any of these Terms and Conditions shall not be a waiver of the right to enforce. These Terms and Conditions contain all representations of the Parties and supersedes all prior oral or written agreements or representations and may only be amended by an agreement executed by both Parties. In the event of conflict between the provisions of these Terms and Conditions and any other terms in Customer's purchase orders, field work orders, work tickets, invoices, statements, or any other type of memorandum or other documents used by Customer, whether oral or written, the provisions of these Terms and Conditions shall govern.



### Cement Job Summary

TIME AM/PM	PRESSURE - (PSI)		FLUID PUMPED DATA		COMMENTS
	CASING	ANNULUS	VOLUME	RATE (BPM)	
2/10/2017					DATE
300pm					on location
700pm					drill pipe out
730pm					rig up
800pm					casing on bottom
840pm					safety meeting
845pm					rig up head, brake circulation
902pm	2000				pressure test lines
908pm	140		168	4	370sk/168 bbl lead cement
1000pm	140		40	4	175sk/40 bbl tail cement
1013pm	30				release plug
1014pm	40			3	start displacement
1019pm	60		20	5	20 bbl gone
1023pm	140		20	5	40 bbl gone
1027pm	250		20	5	60 bbl gone
1032pm	400		20	5	80 bbl gone
1038pm	520		20	3	100 bbl slow down to 3bpm
1042pm	530-1000		8	3	108 bbl bump plug
1045pm	0				check floats
1100pm					rig down
					10 bbl cement back to surface
1130pm					leave location
					thanks



*Depend on US*

# Post Job Report

## **Merit Energy**

Hylbom A-12

2/14/2017

5.5" Production Casing

Haskell County, KS





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## 1.0 Executive Summary

BJ Services would like to thank you for the award of the provision of cementing products and services on the well Hylbom A-12.

A pre-job meeting was held to discuss job details, review the safety hazards, potential environmental impact and established emergency procedures.

BJ started the job testing lines to 2200 psi. After a successful test we began the job by plugging the rat hole and mouse hole with 50 sacks of ASC and then began pumping 12 bbls of HiVis Sweep spacer. We then mixed and pumped the following cements:

78.65 bbl	230 Sacks of 13.6 ppg
Class A Slurry -	1.92 Yield
10.0% Salt	
6.0% Gypsum	
2.0% Gel	
0.5% CFL-210	
5.0 lb Kol-Seal	
0.25 lb Cellophane Flake	

The top plug was then released and displaced with 115 Bbls of Fresh Water. The plug bumped and was pressured to 1750 psi. Upon release the floats held.

All real time data can be view in the Job Summary section.

BJ Services remains committed to provide operational excellence and superior product performance. All comments and suggestions are greatly appreciated and help us to continue to provide this level of service.

Again we want to thank you for the opportunity to perform these and your future cementing & acidizing service needs.



## Cement Job Summary

Job Number: <b>Lib1702140338</b>	Job Purpose: <b>02 Production/Long String</b>		
Customer: <b>MERIT ENERGY COMPANY</b>	Date: <b>2/14/2017</b>		
Well Name: <b>HYLBOM</b>	Number: <b>A-12</b>	API/UWI:	
County: <b>Finney</b>	City: <b>Deerfield, Kansas</b>	State: <b>KS</b>	
Cust. Rep:	Phone:	Rig Phone:	
Legal Desc:	Rig Name: <b>Duke Drilling#9</b>		
Distance: <b>50 miles (one way)</b>	Supervisor: <b>Hector Esqueda</b>		

Employees:	Emp. ID:	Employees:	Emp. ID:
Hector Equeda		Ramon E	
Carlos Ibarra			

Equipment:	
531-541	774-1066
1039-2	

Well Information						
Open Hole Section						
Description:	Size (in):	Excess	Top MD (ft)	Btm MD (ft)		
OPEN HOLE	7 7/8	30%	3100	5,100	TAIL CEMENT	
OPEN HOLE	7 7/8			3,100	LEAD CEMENT	
OPEN HOLE	7 7/8					
OPEN HOLE	7 7/8					
Tubulars						
Description:	Size (in):	Wgt. (lb/ft)	ID (in)	Grade:	Top MD (ft)	Btm MD (ft)
PREVIOUS CASING	8 5/8	24	8.097	J55	0	1,480
TOTAL CASING	5 1/2	17	4.892	J55	0	5,100
SHOE	5 1/2	17	4.892	J55	5,058	5,100

Materials - Pumping Schedule						
Fluid Name	Description	Rqstd Qty	Density	Yield	Water (gal/sk)	
Spacer 1	HIVIS SWEEP	12	8.40	n/a	n/a	
Fluid Name	Description	Rqstd Qty	Density	Yield	Water (gal/sk)	
Tail 1	ALLIED SPECIAL BLEND CEMENT - CLASS A	280	13.60	1.92	9.56	
Addl. Additive	Description	Conc. (lb/sk)	Determined by	Load Volume	UOM	
CFL-210	FLUID LOSS ADDITIVE - LOW TEMP	0.47	% BWOC	131.6	lbm	
CLC-KOL	KOL-SEAL	5	lb/sk	1400.0	lbm	
CLC-CPF	CELLOPHANE FLAKES	0.25	lb/sk	70.0	lbm	
Fluid Name	Description	Rqstd Qty	Density	Yield	Water (gal/sk)	
Disp. 1	Displacement	117.5785768	8.33	n/a	n/a	

Job Number: <b>Lib1702140338</b>	Job Purpose: <b>02 Production/Long String</b>				
Customer: <b>MERIT ENERGY COMPANY</b>	Date: <b>2/14/2017</b>				
Well Name: <b>HYLBOM</b>	Number: <b>A-12</b>	API/UWI:			
County: <b>Finney</b>	City: <b>Deerfield, Kansas</b>	State: <b>KS</b>			
Cust. Rep:	Phone:	Rig Phone: <b>0</b>			
Distance: <b>50 miles (one way)</b>	Supervisor: <b>Hector Esqueda</b>				
TIME	PRESSURE - (PSI)		FLUID PUMPED DATA		COMMENTS
AM/PM	CASING	ANNULUS	VOLUME	RATE (BPM)	
					2/13/2017

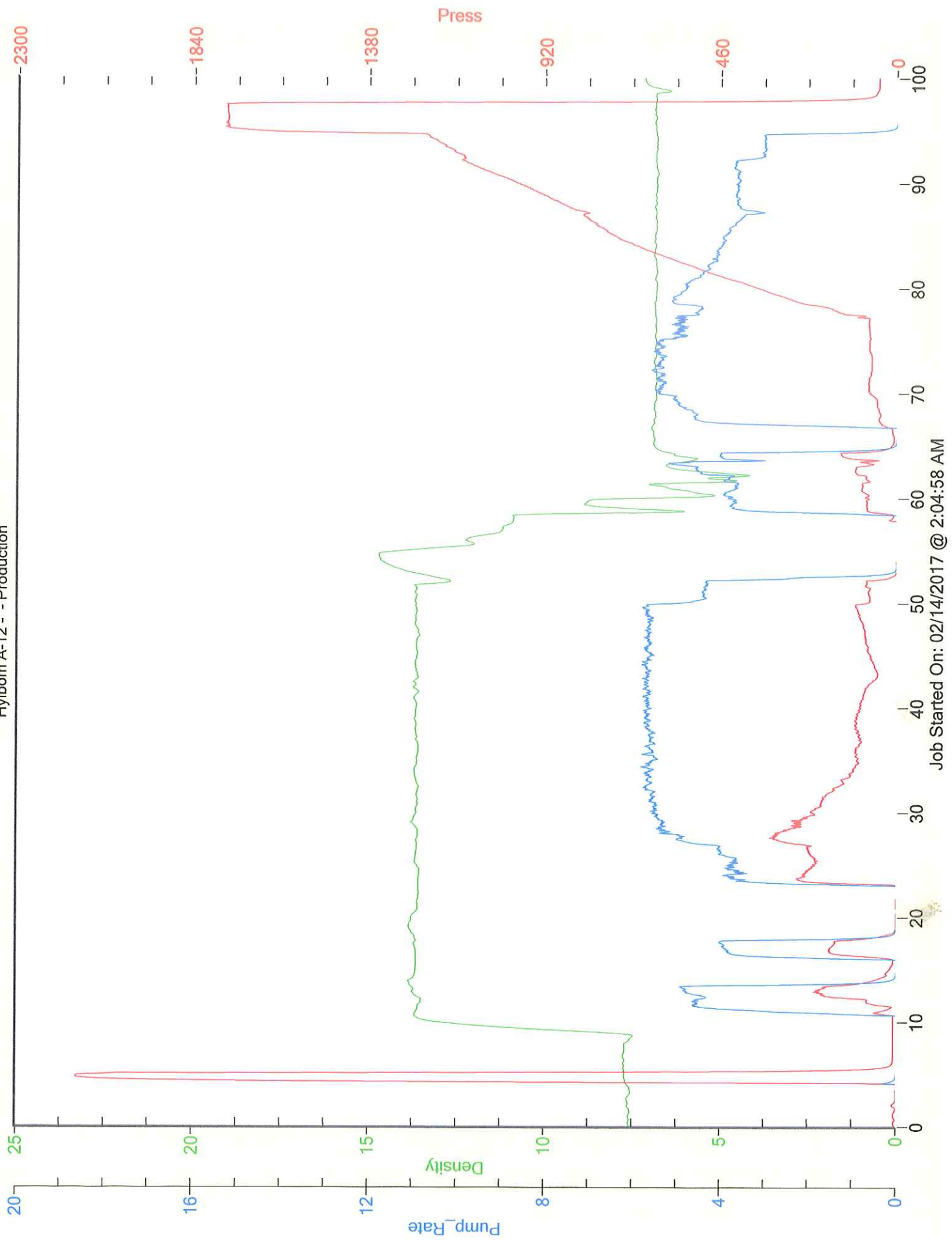


### Cement Job Summary

23:00					arrived to location wait on casing crew to finish running casing in
					2/14/2017
1:00					rig up iron and also the head and manifold
1:30					prime up pump
1:45					mix the HIVIS SWEEP into tank
2:07	2200				pressure test lines to 2200PSI
2:17					plug rat hole with 30sacks
2:21					plug mouse hole with 20sacks
					switch the lines to start the cement job
2:27	210		12	4	start pumping the HIVIS SWEEP
2:30	300		78	5	start the TAIL CEMENT @ 13.60#
2:55					shut down
					close the bottom valve on the manifold and open up the valve to the pit to wash up the tub
3:10	40		115	4.5	start the 115bbl displacement with fresh water
3:14	60		20	5.3	20bbls gone
3:19	80		40	5.6	40bbls gone
3:23	420		60	5	60bbls gone
3:28	770		80	4	80bbls gone
3:33	1070		100	3.7	100bbls gone
3:35	1150		105	3	105bbls gone slow down the rate to 3bpm to land the plug
3:37	1230		110	3	110bbls gone
3:38	1750		115		landed plug @ 1750PSI
					hold pressure for a few minutes to make sure the floats are holding
					released the pressure and floats are holding got 3/4bbl back to the tank
					had full circulation through the whole job rig down released from location @ 5:00



Merit Energy Company  
Hylbom A-12 - - Production



Job Started On: 02/14/2017 @ 2:04:58 AM





**CEMENT MIXING WATER GUIDELINES**

Company Name:

**MERIT ENERGY COMPANY**

Lease Name:

**HYLBOM # A-12**

County

**Finney**

State

**KS**

Water Source:

**TANK**

Submitted By:

**Hector Esqueda**

Date:

**2/14/2017**

pH Level

**7**

Must be less than 8.5

Sulfates

**400**

Must be less than 1,000 PPM

Chlorides

**0**

Must be less than 3,000 PPM

Temperature

**72**

**COMMENTS**

Thank You

Customer Signature