

KANSAS CORPORATION COMMISSION  
OIL & GAS CONSERVATION DIVISION

Form ACO-1  
September 1999  
Form Must Be Typed

WELL COMPLETION FORM  
WELL HISTORY - DESCRIPTION OF WELL & LEASE

ORIGINAL

Operator: License # 4894  
Name: HORSESHOE OPERATING, INC.  
Address: 500 W. TEXAS, SUITE 1190  
City/State/Zip: MIDLAND, TX 79701  
Purchaser: \_\_\_\_\_  
Operator Contact Person: SKIPPER L. BURNS  
Phone: (432) 683-1448  
Contractor: Name: CHEYENNE  
License: 35375  
Wellsite Geologist: \_\_\_\_\_  
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: \_\_\_\_\_  
Well Name: \_\_\_\_\_  
Original Comp. Date: \_\_\_\_\_ Original Total Depth: \_\_\_\_\_  
\_\_\_\_\_ Deepening \_\_\_\_\_ Re-perf. \_\_\_\_\_ Conv. to Enhr./SWD  
\_\_\_\_\_ Plug Back \_\_\_\_\_ Plug Back Total Depth  
\_\_\_\_\_ Commingled \_\_\_\_\_ Docket No. \_\_\_\_\_  
\_\_\_\_\_ Dual Completion \_\_\_\_\_ Docket No. \_\_\_\_\_  
\_\_\_\_\_ Other (SWD or Enhr.?) \_\_\_\_\_ Docket No. \_\_\_\_\_  
B.13.04 B.15.04 B.15.04  
Spud Date or Date Reached TD Completion Date or Recompletion Date

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API No. 15 - 071-20795 - 0000  
County: GREELEY  
C NE Sec. 04 Twp. 18 S. R. 40  East  West  
1320 feet from S / (N) (circle one) Line of Section  
1320 feet from (E) W (circle one) Line of Section  
Footages Calculated from Nearest Outside Section Corner:  
(circle one) (NE) SE NW SW  
Lease Name: MONROE Well #: 3-4  
Field Name: BRADSHAW  
Producing Formation: N/A  
Elevation: Ground: 3600.1 Kelly Bushing: \_\_\_\_\_  
Total Depth: 2975 Plug Back Total Depth: N/A  
Amount of Surface Pipe Set and Cemented at 240 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.

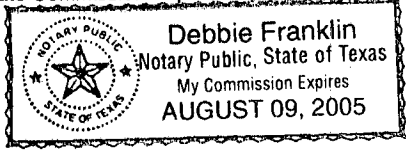
Drilling Fluid Management Plan P+A KJR 7/03/07  
(Data must be collected from the Reserve Pit)  
Chloride content \_\_\_\_\_ ppm Fluid volume \_\_\_\_\_ bbls  
Dewatering method used \_\_\_\_\_  
Location of fluid disposal if hauled offsite: \_\_\_\_\_  
Operator Name: \_\_\_\_\_  
Lease Name: \_\_\_\_\_ License No.: \_\_\_\_\_  
Quarter \_\_\_\_\_ Sec. \_\_\_\_\_ Twp. \_\_\_\_\_ S. R. \_\_\_\_\_  East  West  
County: \_\_\_\_\_ Docket No.: \_\_\_\_\_

**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: Skipper L Burns  
Title: Vice-President Date: 10-4-04  
Subscribed and sworn to before me this 4 day of October  
2004  
Notary Public: Debbie Franklin  
Date Commission Expires: 8-9-2005

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



Operator Name: **HORSESHOE OPERATING, INC.** Lease Name: **MONROE** Well #: **3-4**  
 Sec. **04** Twp. **18** S. R. **40**  East  West County: **GREELEY**

**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 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <i>(Attach Additional Sheets)</i>  Samples Sent to Geological Survey <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No  Cores Taken <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Electric Log Run <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>(Submit Copy)</i>  List All E. Logs Run:  <b>COMPENSATED DENSITY</b>	<input type="checkbox"/> Log Formation (Top), Depth and Datum <input type="checkbox"/> Sample  Name Top Datum
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CASING RECORD <input checked="" 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
<b>SURF</b>	<b>12-1/4"</b>	<b>8-5/8"</b>		<b>240'</b>	<b>COMMON</b>	<b>175</b>	<b>2% CC 1/4 FLO</b>

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	<b>PLUGGED</b>			

Shots Per Foot	PERFORATION RECORD - Bridge Plugs Set/Type Specify Footage of Each Interval Perforated	Acid, Fracture, Shot, Cement Squeeze Record (Amount and Kind of Material Used)	Depth
<b>N/A</b>			

<b>TUBING RECORD</b>	Size <b>N/A</b>	Set At	Packer At	Liner Run <input type="checkbox"/> Yes <input type="checkbox"/> No
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Date of First, Resumerd Production, SWD or Enthr. <b>N/A</b>	Producing Method <input type="checkbox"/> Flowing <input type="checkbox"/> Pumping <input type="checkbox"/> Gas Lift <input type="checkbox"/> Other (Explain)
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Estimated Production Per 24 Hours	Oil Bbbs. <b>N/A</b>	Gas Mcf	Water Bbbs.	Gas-Oil Ratio	Gravity
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Disposition of Gas  Vented  Sold  Used on Lease *(If vented, Submit ACO-18.)*

**METHOD OF COMPLETION**

Open Hole  Perf.  Dually Comp.  Commingled  
 Other (Specify) \_\_\_\_\_

**Production Interval**

DRILLER'S LOG

HORSESHOE OPERATING  
MONROE 3-4  
SECTION 4-T18S-R40W  
GREELEY COUNTY, KANSAS


COMMENCED: 08-13-04  
COMPLETED: 08-15-04

SURFACE CASING: 236' OF 8 5/8" CMTD  
W/175 SKS COMM + 2% CC + 1/4#/SK  
FLOCELE.

FORMATION	DEPTH
SURFACE HOLE	0 - 240
CLAY & SANDSTONE	240 - 1626
CLAY & RED BED	1626 - 2705
RED BED	2705 - 2899
LIMESTONE & SHALE	2899 - 2975 RTD

I DO HEREBY CERTIFY THAT THE FOREGOING STATEMENTS ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

CHEYENNE DRILLING, INC.



WRAY VALENTINE

STATE OF KANSAS: ss:

SUBSCRIBED AND SWORN TO BEFORE ME THIS 16TH DAY OF AUGUST, 2004.

JOLENE K. RUSSELL



NOTARY PUBLIC



RECEIVED  
OCT 07 2004  
KCC WICHITA

# ALLIED CEMENTING CO., INC.

WF  
13865

Federal Tax I.D.# [REDACTED]

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

SERVICE POINT:  
Oakley

DATE <u>8-13-04</u>	SEC. # <u>#</u>	TWP. <u>18s</u>	RANGE <u>40</u>	CALLED OUT	ON LOCATION <u>2:00 PM</u>	JOB START <u>2:50 PM</u>	JOB FINISH <u>3:15 PM</u>
LEASE <u>Montroe</u>	WELL # <u>3-4</u>	LOCATION <u>Tribune HW 1 E 1/4 S W 1/4</u>			COUNTY <u>Greeky</u>	STATE <u>KS</u>	
OLD OR <input checked="" type="radio"/> NEW (Circle one)							

CONTRACTOR Cheyenne Drlg Rig 8  
 TYPE OF JOB Surface  
 HOLE SIZE 12 1/4 T.D. 240'  
 CASING SIZE 8 3/8 DEPTH 240'  
 TUBING SIZE DEPTH  
 DRILL PIPE DEPTH  
 TOOL DEPTH  
 PRES. MAX MINIMUM  
 MEAS. LINE SHOE JOINT  
 CEMENT LEFT IN CSG. 15'  
 PERFS.  
 DISPLACEMENT 14 Bbls

EQUIPMENT

PUMP TRUCK CEMENTER Dean  
 # 373-281 HELPER Andrew  
 BULK TRUCK  
 # 315 DRIVER Fuzzy  
 BULK TRUCK  
 # DRIVER

OWNER Same  
 CEMENT  
 AMOUNT ORDERED 175 sks com 2 1/2" PLU 4 1/2" P10 Seal

COMMON	<u>175 sks</u>	@	<u>8.85</u>	<u>1548.75</u>
POZMIX		@		
GEL		@		
CHLORIDE	<u>4 sks</u>	@	<u>30.00</u>	<u>120.00</u>
		@		
<u>P10 Seal</u>	<u>44 1/2</u>	@	<u>1.40</u>	<u>61.60</u>
		@		
		@		
HANDLING	<u>179 sks</u>	@	<u>1.25</u>	<u>223.75</u>
MILEAGE	<u>54 sk/mile</u>			<u>537.00</u>

TOTAL 2491.10

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REMARKS:

Cement did circulate  
  
Thank you

SERVICE

DEPTH OF JOB 240'  
 PUMP TRUCK CHARGE 520.00  
 EXTRA FOOTAGE @  
 MILEAGE 60 miles @ 4.00 240.00  
 PLUG @  
 @  
 @  
 @

TOTAL 760.00

CHARGE TO: Horseshoe Operating  
 STREET  
 CITY STATE ZIP

FLOAT EQUIPMENT

	@	
	@	
	@	
	@	
	@	
	@	

TOTAL

To Allied Cementing Co., Inc.  
You are hereby requested to rent cementing equipment and furnish cementer and helper to assist owner or contractor to do work as-is-listed. The above work was done to satisfaction and supervision of owner agent or contractor. I have read & understand the "TERMS AND CONDITIONS" listed on the reverse side.

SIGNATURE Hawk

TAX  
 TOTAL CHARGE  
 DISCOUNT IF PAID IN 30 DAYS

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 wilful misconduct or gross negligence of ALLIED or its employees in the preparation or furnishing of such facts, information or data.

(C) Work done by ALLIED shall be under the direct supervision and control of the CUSTOMER or his agent and ALLIED will accomplish the job as an independent contractor and not as an employee or agent of the CUSTOMER.

# ALLIED CEMENTING CO., INC.

12077

Federal Tax I.D.# XXXXXXXXXX

WF

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

SERVICE POINT:

OAKLEY

DATE <u>8-15-04</u>	SEC. <u>04</u>	TWP. <u>18S</u>	RANGE <u>40W</u>	CALLED OUT	ON LOCATION <u>5:15 AM</u>	JOB START <u>9:45 AM</u>	JOB FINISH <u>12:15 PM</u>
LEASE <u>MONROE</u>	WELL # <u>3-4</u>	LOCATION <u>TRIBUNE 4N-1E-1/2S-W2NW6</u>	COUNTY <u>GREELEY</u>	STATE <u>Ks</u>			

OLD OR  NEW (Circle one)

CONTRACTOR CHEYENNE DRLLG.

TYPE OF JOB PTA

HOLE SIZE 7 7/8" T.D. 2975'

CASING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_

TUBING SIZE \_\_\_\_\_ DEPTH \_\_\_\_\_

DRILL PIPE 4 1/2" DEPTH 2600'

TOOL \_\_\_\_\_ DEPTH \_\_\_\_\_

PRES. MAX \_\_\_\_\_ MINIMUM \_\_\_\_\_

MEAS. LINE \_\_\_\_\_ SHOE JOINT \_\_\_\_\_

CEMENT LEFT IN CSG. \_\_\_\_\_

PERFS. \_\_\_\_\_

DISPLACEMENT \_\_\_\_\_

OWNER SAME

CEMENT

AMOUNT ORDERED

310 SKS 60/40 8062 1/4" FLO-SEAL

5# GELSONITE

COMMON	<u>186 SKS</u>	@	<u>9 1/2</u>	<u>1692 00</u>
POZMIX	<u>124 SKS</u>	@	<u>4 1/2</u>	<u>508 40</u>
GEL	<u>21 SKS</u>	@	<u>11 00</u>	<u>231 00</u>
CHLORIDE	_____	@	_____	_____
<u>GELSONITE</u>	<u>1550 #</u>	@	<u>50</u>	<u>775 00</u>
<u>FLO-SEAL</u>	<u>78 #</u>	@	<u>1 40</u>	<u>109 20</u>
HANDLING	<u>362 SKS</u>	@	<u>1 35</u>	<u>488 20</u>
MILEAGE	<u>054 PER SK/MI</u>	@	_____	<u>1086 00</u>
TOTAL	_____	_____	_____	<u>4890 00</u>

**EQUIPMENT**

PUMP TRUCK CEMENTER TERRY

# 191 HELPER WAYNE

BULK TRUCK

# 361 DRIVER MIKE

BULK TRUCK

# \_\_\_\_\_ DRIVER \_\_\_\_\_

**REMARKS:**

50 SKS AT 2600'

80 SKS AT 2340'

80 SKS AT 1650'

50 SKS AT 800'

40 SKS AT 250'

10 SKS AT 40'

THANK YOU

CHARGE TO: HORSESHOE OPERATING,

STREET \_\_\_\_\_

CITY \_\_\_\_\_ STATE \_\_\_\_\_ ZIP \_\_\_\_\_

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**SERVICE**

DEPTH OF JOB 2600'

PUMP TRUCK CHARGE 700 00

EXTRA FOOTAGE \_\_\_\_\_ @ \_\_\_\_\_

MILEAGE 60 MI @ 4 00 240 00

PLUG \_\_\_\_\_ @ \_\_\_\_\_

TOTAL 940 00

**FLOAT EQUIPMENT**

\_\_\_\_\_ @ \_\_\_\_\_

\_\_\_\_\_ @ \_\_\_\_\_

\_\_\_\_\_ @ \_\_\_\_\_

\_\_\_\_\_ @ \_\_\_\_\_

\_\_\_\_\_ @ \_\_\_\_\_

TOTAL \_\_\_\_\_

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TOTAL CHARGE \_\_\_\_\_

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

SIGNATURE ASAK

PRINTED NAME \_\_\_\_\_

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—**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.

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(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.